

HOUSING ELEMENT



**City of
Los Banos**

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City of Los Banos 1996 Housing Element

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INTRODUCTION

During most of the 1970's and 1980's, new housing in Los Banos was built on existing vacant lots, or small divisions of land. Developments of over 50 lots were relatively rare. Near the end of the 1980's, and through the early 1990's, Los Banos began to experience larger, and more frequent, annexation and development proposals. This trend has slowed its earlier pace, but still continues.

Many of the new projects were designed and marketed specifically for commuters making the daily trek over the Pacheco Pass into the San Jose and south Bay Area job market. Ironically recent surveys have shown that most of the housing was actually sold to local residents working in Los Banos, Merced, Turlock and Modesto.

While the rest of the State experienced a construction slow-down in 1991-2, Los Banos continued to issue a permit per day, and finished nearly 300 homes per year. This pace has been maintained with 18 approved and 12 active subdivisions accounting for 2,219 single family lots.

Regional Importance

As shown in Figure 1, Los Banos is the largest population center on the 'West Side' of the San Joaquin Valley from Bakersfield to Tracy. The City functions as a hub of commercial and industrial activity for a number of west side communities - Dos Palos, Gustine, Santa Nella, Newman, and Volta - as well as for many of the surrounding farms. Within a thirty minute radius from Los Banos, there is an estimated population of between 40,000 and 50,000.

Housing Element Requirements

The Housing Element is one of seven General Plan Elements mandated by the State of California, and is intended to help further legislative policy set forth in §65580 of the California Government Code as follows:

(a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

(b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

(c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.

(d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

The Housing Element is the City's official response to the policy set forth by the State Legislature. The Element is also used to help identify local housing needs, adopt appropriate goals and policies, and provide local legislation to meet these needs.

Section 65580 of the California Government Code contains specific directives for preparation of local Housing Elements. This section of State Law is summarized in a Technical Appendix to this element, along with an index relating the discussion within the element to each of the legislative requirements.

Relationship to Other Elements and Programs

The development of housing, by its very nature, is dependent upon efficient land use, public services, roads and a variety of other issues that comprise the City's overall General Plan and Technical Support Documentation. No one element of the Plan is more significant than another, and all of the elements must work together to provide consistent and complete Goals, Policies and Objectives for the City. Since the elements are so interdependent, the Housing Element cannot stand alone, and needs policies of the other elements to aid in its implementation. The City recognizes the benefit of grouping all of the housing policies together in one location to aid in understanding of the City's Goals. To this end, the Goals, Policies and Objectives section of this Element will contain references to portions of the Land Use, Circulation, Noise, Safety, Open Space and Conservation Elements.

Local General Plans

Territory outside of the City Limits is under the jurisdiction of the Merced County General Plan. Adopted in December 1990, the County's General Plan contains several policies that have affected Los Banos. Pending development proposals in the County have the potential of reducing the ability of the City to meet its regional housing need goals. Specifically, cumulative impacts could include:

- Development outside of, but adjacent to, the City reduces the City's market share of local new housing growth. This slows the pace of development in Los Banos, but more importantly, it delays funding and expansion of public utilities and reduces revenue to the City. Over the long term, this could raise the cost of building homes in Los Banos.
- Development of new residential areas in the County, without a corresponding development of affordable housing, redistributes population without the addition of services to meet the needs of low- and moderate-income families. This will increase demand for services from Los Banos without increasing revenue to pay for these services.
- The addition of new commercial retail centers outside of the City, without construction of affordable housing, will create demand for housing in Los Banos, without the corresponding increase in sales tax revenue used to offset public services.
- The cumulative effect of all of these impacts will be to increase the cost of providing services without increasing municipal revenue. This will ultimately result in higher costs for construction, rents and housing in Los Banos, further exacerbating the lack of affordable housing.

Development in Los Banos is also influenced by the Central California Irrigation District, the Grasslands Water District, and the Los Banos Unified School District. Development within the General Plan area will involve interaction with each of these independent agencies. Through the General Plan process the City has worked with each of these agencies, and the County, to limit development conflicts.

Housing Element Implementation

The City's Housing Element serves as a guide to several City and County departments and agencies. Some of the relationships include:

- The City Planning functions are organized into a Community Development Department responsible for all planning and building activity. The Department undertakes a broad range of activities from current to advanced planning; develops

statistical information, land use policies, housing policies, and General Plan Elements. The Department also maintains the Zoning Ordinance and administers the California Environmental Quality Act. Other responsibilities include enforcement of the building and rehabilitation codes.

- The Housing Authority of Merced County is responsible for the development and maintenance of public housing and administering programs providing low rent housing throughout the County.
- The Merced County Association of Governments (MCAG) is responsible for maintaining regional housing information. Their responsibilities include preparation of the Regional Housing Needs Plan and determining each City's share of the regional (County-wide) need for housing. Through contract with the City, MCAG maintains the City's base maps and Geographical Information System (GIS).

Referrals to the public regarding housing programs provided in the City of Los Banos and throughout Merced County are available through the Community Development Department, City Police Department, City Manager's Office, or through citizen request. Referrals to the Housing Authority, and information regarding its programs, are provided by posting within the City Planning Department and various Merced County social service agencies.

Housing Element Organization

Government Code §65583 requires the Housing Element to include these basic components:

- A review of the previous element's goals, policies, programs and objectives to ascertain the effectiveness of each factor and the overall effectiveness of the element.
- An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs.
- A statement of the community's goals, quantified objectives, and policies relative to the maintenance, improvement, and development of housing.
- A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, provision of regulatory concessions, and the utilization of appropriate Federal and State financing and subsidy programs when available.

This Housing Element is subsequently divided into separate chapters as follows:

Chapter 1	Introduction
Chapter 2	Performance Review
Chapter 3	Community Profile
Chapter 4	Housing Profile
Chapter 5	Housing Need
Chapter 6	Residential Land Resources
Chapter 7	Development Constraints
Chapter 8	Work Program

Public Participation

The City invites public participation through its review and public hearing processes. The City has identified numerous community groups, both public and private including all economic segments of the community, that have a great interest in regional housing issues. The City will invite these groups to review and comment upon the plan document prior to public hearings.

The County and City Planning Departments and Administrative Offices have worked jointly with the Merced County Association of Governments in developing the *Regional Housing Needs Plan*, prepared in April 1991 that determines the "same share" housing requirements of each jurisdiction for providing housing for various income levels.

The City has worked closely with the Merced County Housing Authority in reviewing current housing programs that provide low-income housing. The City has also worked with the local Building Industry Association in seeking ways of providing energy conservation and necessary changes to reducing the cost of affordable housing. Specifically, the City of Los Banos has undertaken to involve broad groups of the community within the plan preparation. A public hearing/workshop was held within the City to solicit input from the citizens.

Review of Previous Element

State law requires that the City review the status of Goals, Objectives and Policies of the existing Housing Element. This process allows the City to review current policy and determine which course of action would be most likely to succeed in meeting future housing goals. The following chapter summarizes the goals adopted in the 1986 Housing Element and provides a description of the progress made in meeting these goals. In a number of instances, the City was unable to follow through with the stated goal or policy due to staffing, monetary or other problems. In some cases, the goal or policy was not attainable through no fault of the City. Overall, the outcome of the review suggests that new Goals and Policies that are more realistic have more potential for completion. The goals and policies of this element have reflect the results of this review.

The Los Banos Planning Department is comprised of the Planning Division, and the Building and Safety Division. The Planning Division is responsible for the processing of all rezoning, parcel maps, conditional use permits, variances, and building plan checking and inspections. The Planning Division experienced major changes in personnel during the planning period for the 1986 Housing Element. These changes included replacement of the community development director, associate planner and planning secretary positions.

1986 Element

The 1986 City of Los Banos Housing Element established six separate goals to facilitate the development needs of the City and to direct City, State and Federal resources in the plan period (1986-1992). The housing programs were designed to meet the City's share of housing as projected by the Merced County Associated of Governments (MCAG). The City and MCAG, in cooperation with the State, defined the number of expected new households by income group. Table 1 shows an estimate of housing need by income groups during the 1986 planning period.

Table 1 Distribution of Housing Needs for 1986 - 1992 Planning Period	
Very Low	183
Low	130
Moderate	137
Above Moderate	312
Totals	762

Source: Los Banos Housing Element 1986-1992

General Goals & Policies

The 1986 Housing Element proposed the implementation of 27 policies derived from the six general goals to assist the City in meeting its MCAG housing needs share.

Effectiveness of the 1986 Housing Element

The City believed in 1986, that private developers could adequately meet the City's housing needs over time with little interference from government. To a large extent, the market provided adequate housing, and could be encouraged to develop affordable housing through subsidies on capital improvements and other public services.

The most significant housing influence in Los Banos was the increase in housing demand that occurred during the late 1980s and early 1990s. Small cities, such as Los Banos, did not have a large stock of approved lots "on-hand" to meet the sudden rapid increase in the demand for housing. As a result, the City saw large increases in housing prices, rampant land speculation, and increases in development applications.

The competition for housing raised the average new home price beyond what most local residents could afford, and many developers actively targeted the south bay area commuter market. The "housing at any price" trend lasted about a year, and then dropped dramatically. Average housing prices in Los Banos today are still relatively high given the average income, but many are significantly lower than two years ago. Further, resale of older homes, some in the three to seven year age range, has demonstrated a further lowering of price. During the lowest interest rate period, in some areas of the community, it was possible to purchase a home while on state or federal assistance.

What has become apparent throughout this process is that the private market does have the wherewithal in Los Banos to provide enough affordable to meet the needs of the community without direct government incentive. The City has very limited resources, and is specifically forbidden by many state laws, from subsidizing housing by reducing or eliminating fees. In order to keep this positive housing environment, the City will need to become more creative in the means it employs to encourage affordable housing.

During the time of rapid growth, the City did not have the staff resources necessary to keep the Housing Element completely up to date. As a result many of the original Goals, Policies and Objectives, that were essentially "ideal", and designed to appease several state agencies, were adopted with no chance of being realized. In many cases, identification of the goal or policy was essential to qualify for whatever State and Federal assistance was available. All too often however, this assistance was insufficient to meet the stated need, or competition for these funds too great to allow the City to meet its need.

As a result of this experience the programs and policies included in this update are designed to identify those programs over which the city has complete control, as well as those that require actions by others. The City is committed to doing those things solely within its power to encourage affordable housing, and to lobby other agencies to release the necessary funding and programs to enable the City to meet its needs. With this more realistic approach to housing need, the City has a workable plan for addressing its local housing needs. It should be noted however that some of the goals of the 1986-1992 element were carried through intact to the 1992-1999 element because the City believes them to be worthwhile regardless of the current inability to provide resources to realize them.

Goal

- 1: To promote and ensure the provisions of adequate housing for all persons regardless of income, age, race, or ethnic background.

Issue

- 1.1: Housing Information

Policy

- 1.1.1: Make information on Housing, Housing Programs, and Housing assistance on both home ownership and rentals available to all members of the community.

Program

- 1.1.1.1: Establish City housing referral and information program.

Responsibility

Planning and Community Development Department

Objective

Develop "Housing Information and Referral Brochure". Will contain referral and information on both owning and renting, public and private sources and housing assistance agencies. Distributed to Citizens through City Staff.

Status

Completed June, 1987, scheduled for review and revision after completion of General Plan update December 1996.

Issue

1.2: City Lending Program

Policy

- 1.2.1: Explore participation in various federal and state housing bond and loan programs.
- 1.2.2: Encourage programs which allow local moderate income families to purchase homes.

Status

No specific programs or objectives were identified with these policies. The City has established a Redevelopment Agency, and will use the 20% set-aside component to help with redevelopment and conservation of housing stock. The intent of these policies has been included in the Goals and Policies of this element, along with specific goals programs and objectives.

Issue

1.3: Overcrowding

Policy

1.3.1: Seek methods to alleviate overcrowding.

1.3.2: Encourage some three or more bedroom apartments in new developments.

Program

1.3.2.1: City and county will systemically enforce building, fire, health and safety codes.

Responsibility

Planning and Community Development Department, Fire Department, County Health Department

Objective

25% reduction in overcrowding in 1990 Census to 6% of all households

Status

Code enforcement continues on a complaint-only basis. City funds will not support a more proactive enforcement program. The 1990 census indicates an overcrowding of 13.14 percent which is an improvement from the 25 percent indicated in 1980, but below the objective established in the 1986 Housing Element.

Goal

2: To promote and ensure the provisions of housing selections by locations, type, price, and tenure.

Issue

2.1: Affordability - Home ownership

Policy

2.1.1: Maintain efficient permit processing and equitable fees.

2.1.2: Encourage participation in various federal and state housing programs, such as Farm Home, Self-Help, CDBG, where such programs are found appropriate.

Program

2.1.1.1: Examine and adjust development and building fees on periodic basis.

2.1.2.1: Provide informational material on various federal and state housing programs at Planning and Building Department.

Responsibility

Planning, Building, Public Works

Objective

Staff Report to Council comparing development fees with surrounding jurisdictions and recommending increases or decrease based on City costs and parity.

Status

Completed 1/87 & 1/89. As a component of the General Plan Update, review and revision to the City fee program will be completed in October/November 1996.

Issue

2.2: Seasonal Workers

Policy

2.2.1: Work with appropriate agencies to develop adequate seasonal and farm worker housing.

Program

2.2.1.1: Develop systematic inspection program of seasonal worker housing.

Responsibility

Community Development Department

Objective

Reduction of 50% of identified substandard conditions to ensure Health and Safety and prevent overcrowding.

Status

Responsibility for this program has been assumed by the Merced County Housing Authority.

Issue

2.3: Home - Apartment Ratio; Own - Renting

Policy

2.3.1: Maintain adequate ratio of homes to apartments to allow choice in type of accommodation.

2.3.2: Seek to increase home ownership.

2.3.3: Provide for Mobile Home parks as method of home ownership.

2.3.4: Require subsidized apartment development to show need (market analysis), demonstrate design and livability features, and address impact of development on community services.

Status

No specific programs or objectives were identified in the 1986 Housing Element for these policies. The General Plan update has included a mix of land use densities and intensities designed to encourage a mixture of housing types. Some of these policies have been included in this Housing Element along with appropriate programs and objectives.

Issue

2.4: Group Homes

Policy

2.4.1: Work with group home providers to insure compatibility of development with neighborhood and quality of housing.

2.4.2: Enforce Code requirements (Fire, Building) for group homes to insure adequate living conditions.

2.4.3: Allow Optional Design of senior living projects to allow for group or quasi-group living environments.

Status

No specific programs or objectives were identified in the 1986 Housing Element for these policies. The General Plan update has included a mix of land use densities and intensities designed to encourage a mixture of housing types. Some of these policies have been included in this Housing Element along with appropriate programs and objectives.

Issue

2.5: Senior Citizens

Policy

2.5.1: Encourage provision of senior housing for various economic strata in an effort to maintain an age and socio-economic balance within the City.

2.5.2: Encourage seniors and seniors' organizations to develop guidelines on the design and location of senior housing.

Status

No specific programs or objectives were identified in the 1986 Housing Element for these policies. The General Plan update has included a mix of land use densities and intensities designed to encourage a mixture of housing types. Some of these policies have been included in this Housing Element along with appropriate programs and objectives.

Issue

2.6: Handicapped/Disabled

Policy

2.6.1: Seed adequate provision of housing for the handicapped and disabled through enforcement of Federal and State current law, building codes, and guidelines.

2.6.2: Work with providers of group homes for handicapped/disabled persons to insure project compatibility with neighborhood, quality of housing, and availability of services.

Status

No specific programs or objectives were identified in the 1986 Housing Element for these policies. The General Plan update has included a mix of land use densities and intensities designed to encourage a mixture of housing types. Some of these policies have been included in this Housing Element along with appropriate programs and objectives.

Goal

3: To promote and insure open and free choice of housing for all

Issue

3.1: Fair Housing

Policy

3.1.1: Promptly refer complaints of housing discrimination to the appropriate county, state, or federal agency and assist such agencies as requested.

Status

Although no specific objectives or programs were identified for this policy, the City has established a complaint process, posted notification of federal housing anti-discrimination law in English and Spanish, and hired bi-lingual staff in the Planning and Community Development Department to help with housing complaints. This policy is continued in this Housing Element.

Goal

4: To promote efficient use of land available for housing.

Issue

4.1: Annexation

Policy

4.1.1: Annex only those areas easily serviced and within the Specific Urban Development Plan Boundary (SUDP).

4.1.2: Do not annex property until Specific Development Plan is submitted and reviewed.

4.1.3: Developer shall bear costs for public services improvements to annex property; however, the City may seek Grant Funding for services to annex area if project provides community-wide benefits.

Program

4.1.3.1: Develop written annexation guidelines and policies.

Responsibility

Planning and Community Development Department

Objective

Development of information sheet summarizing City policies and steps involved in annexation for dissemination to developers.

Status

Completed June 1987. The document will be reviewed and revised as necessary at the conclusion of the General Plan Update in October/November 1995. Land Use Policies encourage the use of land within the City before annexation. As the City grows, annexation of land is likely to occur in larger blocks to allow master planning of public facilities such as schools, water, sewer, etc. This is expected to lower overall development costs.

Issue

4.2: Infill

Policy

4.2.1: Encourage infill housing in residential districts where services are available.

Program

4.2.1.1: Develop optional design standards and policies for housing on existing substandard lots.

Responsibility

Planning Department

Objective

Written standards and guidelines for infilling on substandard lots in "old town" residential district leading to the development of additional ten affordable housing units.

Status

Incomplete. Standards for infilling of substandard lots were not completed prior to the General Plan Update. As a component of the update, development standards will be prepared and reviewed for adoption by the City.

Issue

4.3: Zoning

Policy

4.3.1: Maintain integrity of residential districts through discouraging or mitigating incompatible use in or adjacent to residential districts.

4.3.2: Require a specific plan for rezoning to multiple family with development occurring within a specific time frame.

Status

No specific objectives or programs were identified for these policies. Standards for infilling of substandard lots were not completed prior to the General Plan Update. As a component of the update, development standards will be prepared and reviewed for adoption by the City.

Goal

5: To conserve and maintain the housing stock.

Issue

5.1: Housing Rehabilitation

Policy

5.1.1 Continue to participate in programs designed to conserve existing housing.

Program

5.1.1.1: Inspection of rental units upon change in city service.

Responsibility

Planning and Community Development

Objective

Ensure rental units meet Building and Health and Safety needs; 100% of inspected units meet, or are brought up, to standard.

Status

Incomplete. The City does not have the staff to inspect all rentals at change of service.

Issue

5.2: Maintenance of residential neighborhoods

Policy

5.2.1: Continue enforcement of weed and other nuisance abatement programs

Program

5.2.1.1: Continue upgrading residential streets to full City standards through various funding sources, including Grants, F.A.O., and Assessment Districts

Status

Ongoing. The City regularly abates weed and other safety hazards from vacant and occupied properties within the City Limits. As funds permit, public streets are reconstructed or maintained to provide an adequate level of service.

Goal

6: To provide for the development of a balanced residential environment with access to employment opportunities, community facility, and adequate services.

Issue

6.1: Schools

Policy

6.1.1: Attempt to mitigate school needs brought about by increased housing.

Program

6.1.1.1: City and School District will develop mutual policy on housing relative to school impacts, with school district taking lead role.

Responsibility

School District, City

Objective

Establish policy regarding school impaction fees.

Status

Complete June 1987. The City works with the School District to ensure that facility fees are collected and sites identified for future schools.

Issue

6.2: Housing/Jobs Ratio

Policy

6.2.1: Encourage businesses and industries to locate or expand which create most jobs and best wages relative to its demand for services (i.e. sewer).

6.2.2: Maintain adequate housing stock to accommodate increased work force.

Status

No specific programs or objectives were identified in the 1986 Housing Element for these policies. The General Plan update has included a mix of land use densities and intensities designed to encourage a mixture of housing types. Some of these policies have been included in this Housing Element along with appropriate programs and objectives.

Issue

6.3: Parks and Community Services

Policy

6.3.1: Promote adequate and accessible park and community services for various residential areas through use of park dedication fees or dedications by developers.

Status

The City adopted park land per population ratios and has constructed 3 new parks and improved 2 existing parks since adoption of 1986 Housing Element. General Plan Update includes additional open space/recreation goals for the City.

COMMUNITY PROFILE

The City prepared a series of economic studies to help guide preparation of their new general plan. As a part of the studies, an *Attitude & Issues* survey was conducted, and a housing quality survey completed. The results of these studies, and information from the 1990 United States Census, was used to help determine the level of housing need for the community. This section also provides an overview of Los Banos's recent growth in terms of population and economic development.

Population

Los Banos's population has grown significantly since 1980. Table 2 indicates that between 1980 and 1990, the population grew at an average annual rate of 3.9 percent. Growth since 1989 has been higher averaging about 7.63 percent per year. It is expected that the City will continue to grow, however the growth rate will probably be lower than the previous 3 years. The City estimated population growth rates for the General Plan based on several different sources. Table 3 shows the potential growth for the City through the approximate 20 year planning period of the General Plan.

TABLE 2 POPULATION TRENDS 1980 - 1990				
	1980	% of County	1990	% of County
Merced County	134,560		178,403	
Incorporated	58,599	56.5	108,461	60.8
Unincorporated	75,961	43.5	69,942	39.2
City of Los Banos	10,341	13.0	14,519	8.1

Sources: United States Bureau of Census 1980, 1990

Population Growth Projections

During preparation of the City's General Plan, several potential population growth projections were made based on the City's historical growth rates for several different time periods. During the rapid growth periods of the late 1980s and early 1990s, annual growth rates approached 7.63 percent. Currently the City finds about one house a day or approximately 300 homes per year. It is unlikely that the City could sustain a 7.63 percent growth rate throughout the next 10 or 20 years. Were this to occur, the City would reach a population of about 30,000 by the year 2000. This type of rapid growth is probably not physically possible given the constraints of sewer, water, roads and a whole host of other public services. Based on historical permit issuance, and the availability of public services, Table 3 represents a growth rate of about 5.0 percent per year.

<p>Table 3 Population Growth Projections</p>			
	1993	2000	2010
Merced County	193,432	249,045	367,299
Los Banos	17,600	24,992	41,678

*Source: Population and Employment Forecasts for Merced County 1990-2010
Merced County Association of Governments
City of Los Banos*

Employment

The rapid housing growth of the late 1980's was assumed to be attributed almost entirely to the bay area commuter market. Both the 1990 Census, and the Attitude Survey show a different picture. In 1992, 63 percent of the respondents worked in the City of Los Banos. Over 87 percent of the survey respondents lived in Merced County, and only 11 percent worked outside of the County.

Since Los Banos is relatively small, and isolated on the west side of Merced County, travel time to work is an excellent method of estimating possible employment locations. The 1990 Census shows that a vast majority, 79 percent, of the residents commute to work within 30 minutes. This travel time places most residents either in, or adjacent to the City. Approximately 12 percent of City residents commute between 30 minutes and 1 hour. Since most locations in the San Jose/Gilroy area are over 1 hour from Los Banos, these commuters are more likely to be working in Merced, Turlock, Modesto or the surrounding area. Only 7 percent of the work force in 1990 commuted over 1 hour to work. This 7 percent of commuters is over double the amount shown in the 1980 census.

The apparent lack of current bay area commuters should not downplay the significant effect their presence has had on home construction, prices and land speculation. Since 1985, housing prices in Los Banos, as in much of the San Joaquin Valley, have nearly doubled. In the 1986 Housing Element, the average home was shown as costing approximately \$65,000. In 1993, the average home in Los Banos is between \$90,000 and \$110,000.

Employment Locations

One of the largest employment sectors in the County is agriculture. Housing for agricultural employees is not only significant because of the large numbers of permanent and seasonal employees which combined make it the largest employment sector, but because the seasonal influx of migrant workers creates a great demand for temporary housing.

The primary agricultural activities in the area of Los Banos is the cultivation of apricots, walnuts, almonds, and dairy farming. Most of the activities are seasonal with the highest employee demand starting in early summer and increasing into early fall when crops are harvested. In addition to agriculture, manufacturing industries, retail trade, and education have large numbers of employees. Table 4 indicates the percentage of persons employed in each sector.

Employment Sectors

The economy of Los Banos, like Merced County, is based on agriculture. Table 4 also shows, through a 24 percent retail employment rate, that Los Banos serves as a regional commercial hub for many of the Cities on the west side of Merced County.

With the increased mechanization of agricultural practices, the need for large numbers of farm workers is expected to diminish. In addition, the long range statewide drought conditions, and renewed water restrictions, have limited some farming activities. These two factors, and the encroachment of urban development into agricultural lands, will have a material affect on Los Banos's housing needs.

Income Determination

Various factors are used to determine very low-, low- and moderate income levels for each county. The State publishes a list of income levels, by family size, for all counties. Table 5 shows the rating given income levels for Merced County by family size.

The State Department of Finance does not adjust their calculations to account for cities or other communities. As such, the figures shown in Table 5 can only approximately represent the income levels for residents of Los Banos. One of the questions on the survey conducted as a part of the General Plan Update included income. Table 6 shows that Los Banos is a fair representation of the County as a whole with 64 percent of the respondents above the Area Median of \$34,200, and 36 percent below the median.

Table 4
1990 LOS BANOS EMPLOYMENT BY INDUSTRY*

Industry	Los Banos	Percent	Merced County	Percent
<i>Agriculture</i>	769	14.4	11,814	17.9
<i>Mining</i>	20	0.4	88	0.1
<i>Construction</i>	349	6.5	4,212	6.4
<i>Manufacturing</i>				
<i>Nondurable</i>	318	5.9	5,442	8.2
<i>Durable</i>	289	5.4	3,213	4.9
<i>Transportation</i>	250	4.7	2,292	3.5
<i>Communications and Utilities</i>	223	4.2	1,237	1.9
<i>Wholesale Trade</i>	157	2.9	2,632	4.0
<i>Retail Trade</i>	1,318	24.6	10,736	16.2
<i>Finance, Insurance and Real Estate</i>	201	3.8	3,004	4.5
<i>Business/Repair Services</i>	164	3.1	2,500	3.8
<i>Personal Services</i>	101	1.8	1,407	2.1
<i>Recreation/Entertainment Services</i>	78	1.4	701	1.1
<i>Health Services</i>	413	7.7	4,665	7.1
<i>Education Services</i>	436	8.2	6,436	9.7
<i>Other Professional Services</i>	340	6.4	3,196	4.8
<i>Public Administration</i>	240	4.5	2,541	3.8
Total Employed	5,348	100.0	66,116	100.0

* Employed Persons 16 Years of Age and Older.
Source: U.S. Bureau of Census, 1990.

<p>Table 5 Merced County Income Levels</p>				
<i># in Family</i>	1	2	3	4
Moderate	\$28,750	\$32,850	\$36,950	\$41,050
Median	\$23,950	\$27,350	\$30,800	\$34,200
Lower	\$19,150	\$21,900	\$24,600	\$27,350
Very Low	\$11,950	\$13,700	\$15,400	\$17,100
Area Median	\$34,200			

Source: California State Department of Housing, May 1993

<p>Table 6 Survey Results Household Income Level of Respondent</p>		
Income Level	Response	Percent
< \$10,000	21	8.5
\$10,000 - \$14,999	15	6.1
\$15,000 - \$19,999	23	9.3
\$20,000 - \$24,999	30	12.1
Median Income	total below 89	percent below 36.0
	total above 158	percent above 64.0
\$25,000 - \$34,999	35	14.2
\$35,000 - \$49,999	53	21.5
\$50,000 - \$74,999	47	19.0
> \$75,000	23	9.3
Total	247	100.0
No Response	20	

Source: Los Banos Community Attitude Survey, Fall 1992
Urban Research Associates

Regional Housing Need

The *Regional Housing Needs Plan*, prepared by the Merced County Association of Governments, April 1991, assigns the City's regional share of housing need for very low-, low- and moderate-income homes. As part of the State Law requirements for preparation of the Housing Element of the City's General Plan, the City must, among other things, show adequate sites and ability to develop its regional share of housing. Most of the

housing element requirements, however, focus on meeting the needs of low- and moderate- and middle-income households. The Legislature has declared that the lack of affordable housing is among the State's most critical problems. As a consequence, local governments are required to place special emphasis in their housing policies on meeting low and moderate income housing needs.

It is important that a clear understanding is established regarding the definition of each of these segments of the population. Based on data in the 1990 Census for median household income in Merced County (1989), very low income groups represent those households with a maximum annual income of less than \$12,774, low income with a maximum annual income of less than \$20,438, and moderate income with a maximum annual income of \$30,658. Table 7a shows the City of Los Banos Regional Housing Needs for the period of 1996 through 2001, as calculated by the Merced County Association of Governments.

<p>Table 7a Los Banos Housing Needs 1990 - 1999</p>		
Housing Type	Percent	Number
Above Moderate Income	35	955
Moderate Income	26	713
Other Low Income	23	646
Very Low Income	16	441
Totals	100	2,755

*Source: Merced County Association of Governments
Regional Housing Needs Plan, April 1991
and Department of Finance*

It is assumed that while the fair market forces are capable of meeting the needs of those households with above moderate incomes, it cannot or will not meet the needs of those households that fall below that income level. With this in mind, local cities and counties then have the responsibility to facilitate the construction of affordable housing. Table 7b summarizes the City's housing goals identifying new construction, rehabilitation, and housing conservation goals.

Table 7b Quantified Housing Goals 1996 - 2001				
Income Level	New Construction	Rehabilitation ¹	Conservation At-Risk ¹	Conservation Not-at-Risk ¹
Above Moderate	0			
Moderate	0			
Other Low	646	59		8
Low	429	15	18	12
Total	1,075	74	18	20

¹Funding for rehabilitation and/or conservation of units is dependant upon redevelopment set-asides and the availability of federal and state funds.

From 1990 through 1995, 1,490 single-family dwellings were constructed. In this same time period, 22 multiple-family dwelling units were built; 2 duplexes, 2 triplexes, and a 12-unit apartment complex. Of these multiple-family dwellings, 12 qualify as housing for low-income households. Based on the housing need from the years 1990 through 2001, as identified in Table 7a, the number of single-family homes constructed since 1995 meet the housing need to the year 2001 for the “above moderate” and “moderate” income groups. Therefore, the City’s quantified housing goals above identify new housing construction goals only for “other low” and “low” income groups. The number of units to be rehabilitated was obtained from a housing survey which identified 59 units in need of repair.

HOUSING PROFILE

This section provides an overview and comparison of Los Banos's housing stock. Analysis of past trends of the housing stock provides a basis for determining the future housing needs of Los Banos.

Number of Homes

A review of census data indicates that the Los Banos's housing stock expanded by 1,127 units during the period 1980-1990, an average annual increase of 112 units. Growth in the housing stock has not been at a constant rate over time. Most of the growth occurred at the beginning and near the end of the decade. As shown in Table 8, between 1980 and 1990, the City added 1,142 homes, an average of 114 homes a year. Between 1990 and 1993 however, the City added 935 homes for an average of 312 homes per year. Currently the City issues approximately one permit per working day, and approves one home per day for occupancy.

Table 8
Total Housing Stock 1980-1990

	1980	1990	1993	Δ% 1980-93 ¹
Merced County	48,912	58,410	62,106	26.97%
<i>Annual Change</i>		1.79%	2.07%	1.85%
Los Banos	3,928	5,070	6,005	52.88%
<i>Annual Change</i>		2.58%	5.80%	3.32%

Notes:

¹Percentage change between 1980-93.

Source: Bureau of Census, 1980, 1990

Merced County Housing Chapter of the General Plan, 1992-1997

Housing Types

An examination of census data provides insight into the demand for different types of dwelling units within the City and County. The three basic types of housing units for which data are presented are: single-family detached units, multiple-family units (which range in size from duplexes to large apartment developments containing many units), and mobile homes located in mobile home parks and on individual lots.

The predominant type of dwelling unit in Los Banos is the conventional single-family residence. As indicated in Table 9, single-family units increased slightly as a percentage of the overall housing stock in Los Banos from approximately 73 percent to 76 percent. Multiple family units fell as a percentage of the total housing stock from approximately 19 percent to 17 percent. The City added only a few mobile homes during 1980, and as a result their percentage of the total housing stock fell from approximately 7 percent to 5 percent.

Analysis

The relative shift in the percentage of housing types is a direct result of the increase in construction of single family units between the late 1980's and the early 1990's. Other factors which increased the number of single family homes is their affordability and the low interest rates which make qualifying incomes low. The City anticipates that the single family dwelling will remain as the primary housing type into the near future, although the density and intensity of development may change consistent with national and statewide trends.

Although the number of mobile homes is small in comparison to single and multi-family residential structures, the percentage has remained relatively constant from 1980 to 1990. The slight decrease in the percentage of mobile homes is probably more an indication of decrease in the cost of purchasing and financing conventional homes, and a market-borne reluctance for mobile homes. As long as resale of homes, and purchase of newly constructed homes, remains affordable, mobile homes will probably not become a significant component of the Los Banos housing stock in the near future.

Table 9 City of Los Banos 1980 - 1990 Total Dwelling Units by Type of Structure					
Dwelling Type	1980		1990		% Change '80-'90
	Units	% Total	Units	% Total	
Single Family	2,869	72.74	3,690	72.78	28.62
Multiple Family	768	19.47	977	19.27	27.21
Mobile Homes	294	7.45	336	6.63	14.29
Other	13	0.33	67	1.32	
Total Dwelling Units	3,944	100.00	5,070	100.0	

Source: Bureau of Census 1980, 1990
California Department of Finance Report E-5 1980, 1990

As shown in Table 10 between 1992 and 1994, there were 90 homes that sold below an \$80,000 threshold. Resale of homes in Los Banos provides for affordable first homes, and fuels sale of new homes in the City. All of the homes identified in Table 10 are affordable within the Low, and in some cases Very-Low income range for Los Banos.

Table 10 1992 - 1994 Home Sales below \$80,000					
Sale Price	#	Average Price	Monthly		Annual Income ²
			Payment ¹	Income	
\$ 1,000 - 20,000	2	\$10,000	\$74	\$222	\$2,665
\$20,001 - 40,000	8	\$35,625	\$264	\$791	\$9,493
\$40,001 - 60,000	19	\$51,105	\$378	\$1,135	\$13,619
\$60,001 - 80,000	61	\$73,115	\$541	\$1,624	\$19,484
Total Sales	90				

Notes:

¹ Payment calculated at 8 percent over 30 years for average price.

² Qualifying income at one-third of monthly payment.

Source: Chicago Title Company, 1994

Housing Strategy

The housing market in Los Banos provides an adequate range of housing prices to meet the area's low-income housing demand. The City will need to closely monitor housing sales to ensure that increases to existing stock values do not outpace incomes.

Age of Housing Stock

Table 11 shows that most of the homes in the City date from 1960. Since 1960, the City averaged approximately 81 homes per year with peak issuance in 1970-79, and 1985-90. Two large "bursts" of activity are shown around the late 1970's, and the mid 1980's. Homes constructed before 1960, comprise approximately 25 percent of the total housing stock of the City. This is roughly equivalent to the percentage of homes constructed between 1980 and 1990.

In 1993, a housing conditions survey was completed for the City of Los Banos. The windshield survey was conducted using City and County maps. Areas of the community that had active subdivision, or have had active development within the last 5 years, were counted as being in standard condition. Most of the effort was spent on areas known to be older, especially in and around the downtown. Each housing unit surveyed was evaluated first as to whether it was "standard" or "substandard." If the unit was "standard", only its address was noted. If the unit was determined substandard, the address, and items deemed substandard were noted by the reviewer. Since the survey was done from the vehicle, sidewalk or street, no in-unit review of condition was made. Since the survey, numerous residents and property owners have approached the City with requests to participate in housing rehabilitation.

Multiple housing units were evaluated by the building (i.e., the condition of the building determined the condition of all units within that building). Following the initial evaluation, a sample of the substandard units was taken to determine the degree of deterioration. Using the State Department of Housing and Community Development (HCD) housing condition survey parameters, each sample was rated as a "minor," "moderate," or "substantial" rehab, or "dilapidated."

The standards utilized for the survey were established by HCD and reflect the amount of corrective action that is necessary to bring a residence to current standards. The major categories can be summarized as follows:

STANDARD CONDITION - Residences with no significant repairs required.

MINOR REHABILITATION - Residences requiring patching and painting to prevent rapid deterioration.

Table 11
Tenure by Year Structure Built

Owner	#	%
1989 - 90	224	7.81%
1985 - 88	247	8.61%
1980 - 84	416	14.50%
1970 - 79	489	17.04%
1960 - 69	844	29.42%
1950 - 59	320	11.15%
1940 - 49	173	6.03%
1939 or earlier	156	5.44%
Totals	2,869	100.00%
Renter		
1989 - 90	79	4.15%
1985 - 88	236	12.39%
1980 - 84	148	7.77%
1970 - 79	377	19.80%
1960 - 69	490	25.74%
1950 - 59	219	11.50%
1940 - 49	153	8.04%
1939 or earlier	202	10.61%
Totals	1,904	100.00%

MODERATE REHABILITATION - Residences requiring upgrading or repair of major structural systems.

SUBSTANTIAL REHABILITATION - Residences requiring reconstruction of basic structural systems. For example, a roof on a moderate rehabilitation project may need new shingles, while a substantial rehabilitation project might require reconstruction of the roof (including trusses and/or sheathing) in addition to replacing the shingles.

DILAPIDATED - Residences that are beyond repair and are subject to demolition.

According to the study, the bulk of substandard housing in Los Banos (units requiring moderate rehabilitation), including multiple housing units and apartments, are in a generally older area of Los Banos. These areas are oriented toward the downtown, State Route 152, the Fairgrounds, east side of State Route 165 north of downtown, Los Banos Gardens, and Canal Farm Lane area. Homes in these districts are typically frame-constructed and usually 30 years old and older. As shown in Table 12, the single family homes within the City of Los Banos, are in relatively good condition. Ninety-seven percent of all of the housing surveyed is considered standard (i.e., in need of no repairs) and only one-half of one percent were judged to be dilapidated at the time of the survey. The remaining constitute the substandard housing which is in need of some type of rehabilitation. It should be noted however, that the survey was unable to go behind or in any of the structures, and some problems may not have been visible from the street. Also, the percentages downplay the fact that the survey found 59 homes in need of minor through substantial rehabilitation, and another 7 homes in a dilapidated state. Further, during the initial stages of establishing the Redevelopment Plan, a survey to determine the presence of blight showed structures in need of repair.

Age of Housing

Los Banos has a substantial amount (26 percent) of housing that was built prior to 1960. As indicated in the housing conditions survey, there appears to be a correlation between the age of homes and the number of homes requiring rehabilitation or demolition. Many of the older homes in need of rehabilitation are located in and around the City Center. The City Center Area is the focal point of the City's redevelopment activity, and is the logical starting point for use of the set-aside funds.

Analysis

Demand for conventional single family housing in Los Banos has been constant for the past 10 - 15 years. The City does not anticipate a major shift in housing densities or intensities that would counter this trend. As in most smaller cities, the type of housing constructed is dictated by market demands outside of the City's control.

Some of the older portions of the community are beginning to deteriorate while new housing is being constructed primarily to the north and east of the City. It is important that this shift in activity doesn't result in neglect in established neighborhoods.

It is difficult to make generalized statements concerning development and the maintenance of structures. It has been the city's experience that those projects which have on-site management tend to be better maintained, and provide a safer living environment than those with absentee landlords. While the City cannot mandate on-site management, sufficient design control can be placed over smaller apartment projects to discourage future degradation. These controls could include:

TABLE 12

HOUSING QUALITY SURVEY RESULTS

Total Houses		Homes Surveyed	Standard	Minor	Moderate	Substantial	Dilapidated
Zone 1	458	445	9	4	0	0	0
Zone 2	302	285	9	2	3	3	0
Zone 3	545	527	4	8	2	4	0
Zone 4	284	270	10	2	2	0	0
Zone 5	481	480	1	0	0	0	0
Total	2,070	2,007	33	16	7	7	0

Houses Surveyed	% of Sound	% of Minor	% of Moderate	% of Substantial	% of Dilapidated
Zone 1	.02%	.008%	0	0	0
Zone 2	.031%	.007%	.01%	.01%	0
Zone 3	.007%	.015%	.003%	.007%	0
Zone 4	.037%	.007%	.007%	0	0
Zone 5	.002%	0	0	0	0
Total Surveyed	.016%	.008%	.003%	.003%	0%

Survey of the residential core of the City was taken from September 8 - 13, 1993.

- Restricting the number of units for projects without management
- Distribution of smaller multiple family developments around the community
- Emphasis on project amenities and architectural features

There is no direct correlation between low income housing and dilapidated or ill maintained apartment projects. There are examples of other multiple family units that provide low income housing that are an asset to the community. The City believes that design control and on-site management are key to providing a well maintained development.

Housing Strategy

There is a need for programs that emphasize rehabilitation and reconstruction of apartment and single family dwellings. This is especially true in those areas identified in the Housing Stock Survey as being in Moderate or Substantial deterioration. Minimal investment to preserve these types of structures is often less expensive than new construction.

Given the City's past experience with multiple family structures, great care should be taken that new multiple family projects are designed and managed to ensure that they remain an asset rather than a liability. The City should encourage larger apartment projects, with on-site management, adequate open space, lighting, parking and storage. Architectural features should be monitored to ensure that new structures are compatible with the existing neighborhood.

The City needs to direct the use of its set-aside funds from redevelopment activity toward housing units on the verge of slipping into serious disrepair. In addition to preserving housing stock, this activity will have the added benefit of supporting downtown revitalization efforts by improving the image of the City Center.

Occupancy Characteristics

identification of housing occupancy trends is essential in attempting to anticipate future housing need. An analysis of household size, household growth, tenure, and vacancy complements the previous analysis of population and housing characteristics during the same time period.

While the average household size has been decreasing throughout the State it has remained relatively constant in the City of Los Banos. This household size (2.96 in 1990) provides an increased demand for housing units that provide larger living areas than might be typical in other areas of the State.

As shown in Table 13, the percentage of owner occupied dwellings within Los Banos slightly decreased between 1980 and 1990. This can be directly attributed to the higher cost of housing, insecurity over jobs and the local and national economy.

Table 13 Owner Vs. Renter Occupied Units		
	1980	1990
Owner	2,294	2,869
Renter	1,349	1,903
Totals	3,643	4,772

Source: 1980 & 1990 Census STF 1 Reports

Household Size

The slight increase in persons per unit is consistent with the trend throughout Merced County during the 1980s and 1990s. The relatively low persons per unit identified in Table 14, as compared to the rest of the County, is probably a function of newer families with relatively young children, and an increase in retirees.

Table 14 Average Persons per Unit 1980-1990			
	1980	1990	% Increase 1980-90
Merced County	2.98	3.17	6.37
Los Banos	2.82	2.96	4.96

Source: Department of Finance E-5 Reports, 1980, 1990

Analysis

The City anticipates that family size, and therefore persons per unit, will continue to increase and will probably soon reflect the county-wide figure of 3+ persons per unit.

Housing Strategy

The needs of the new family and the retiree would seem disparate, but in fact are quite similar. Both groups need affordable housing, close proximity to services, and can use smaller structures. Where the groups begin to differ is in long range plans. Retirees or "empty nesters", those with no children at home, typically seek less maintenance and more amenities, while growing families usually need more space. Typically, the market has provided entry level homes that serve young families and those seeking a smaller structure. What has been lacking in Los Banos is the provision of upscale medium

density projects designed to cater to retirees and those without children. This market expects amenities and low maintenance as well as security and privacy.

Home builders should also be encouraged to develop plans designed for ease of future expansion. This would keep the initial cost low, and allow for future expansion as the need and income grows. This type of program can be effective on almost any lot size, and has proven successful in many other cities.

Housing Tenure

The percentage of home ownership in a community is a good gauge of affordability of housing. Home ownership in Los Banos changed only slightly during 1980 to 1990 as shown in Table 13. That local wages are not keeping pace with housing cost is reflected in the fact that ownership levels have stabilized, and the percentage of owners has begun to decline.

Analysis

If allowed to continue, this situation creates a greater demand for rental housing, and can lead to overcrowding as families that could typically afford to purchase a home, are forced by economics to rent a smaller apartment or single family home. While the City can begin to address some of these issues through redevelopment and rehabilitation, the overriding economic situation is beyond the City's resources to address. Solutions to the disparity between local, agriculturally based wages, and the cost of housing need to be found on the state and national level.

Housing Strategy

The City can help keep the cost of housing low by retaining and encouraging the rehabilitation of older housing stock. In many cases, older homes are smaller, but built on larger lots that might support expansion. This would allow new and growing families to purchase a home and expand it at a later date. Many older homes are used as rentals, and an active rehabilitation program would ensure that they are maintained and remain an asset to the community.

Vacancy Rates

The vacancy rate is good measure of how well the market is meeting the housing needs of a community. A rising vacancy rate may indicate that homes are being constructed at a rate faster than the community is growing. A falling vacancy rate indicates that housing is not keeping up with population growth, or that the cost of new or rental housing is not in line with increases in local wages. Overall, the vacancy rate is a measure of the general ability of the market to provide housing on demand. Typically, a 5 percent vacancy rate is seen as healthy. As shown in Table 15, Los Banos has a vacancy rate of 4.86 percent (Department of Finance, 1993). This rate has fallen from a high of 8.92 percent in 1991.

At the present time there are 18 approved subdivisions in the City of Los Banos for a total of 4,071 lots. Of the 4,071 lots, 1,852 have had final maps filed, and 1,196 building permits have been issued. While these do not represent substantial numbers of units within the context of the total community, they do reflect the market response to a lower vacancy factor.

Table 15 City of Los Banos Vacancy Rates 1980 - 1990				
Unit Type	1980	%	1990	%
For Sale	47	1.89	77	3.81
For Rent	107	7.33	84	2.76
Overall Vacancy		7.63		4.86

*Source: Bureau of Census 1980, 1990
Department of Finance E-5 Report*

Analysis

The lower vacancy rate is probably indicative of a reduction of existing housing stock, and a shift from speculative building to sale-only construction. Overall, the 4.86 percent vacancy rate is seen as healthy although it should continue to be monitored.

From a affordable housing perspective, the reduction in the percent of housing stock available for rent is more significant. According to the Census, in 1980 approximately 7 percent of the total housing stock was available for rent. In 1990, that figure has dropped to less than 3 percent. Without sufficient rental units, it will be difficult to meet the City's regional housing needs through 1999.

Housing Strategy

Although the Land Use Element of the General Plan shows additional areas for multiple family development, action should be taken to keep existing housing stock, and encourage rehabilitation rather than demolition. New development should be encouraged to provide a mixture of housing types on a variety of lot sizes. This would prevent a grouping of smaller lots or housing types, and allow for more flexibility in planning. Multiple family structures should be encouraged to be architecturally compatible with the surrounding neighborhood, and provide a mechanism for continued maintenance.

Assisted Housing Developments

State Government Code Section 65583 requires housing elements to provide an inventory of subsidized units at risk of conversion to market rates and an analysis and program to preserve the developments. In the City of Los Banos, there are two known projects with current eligibility for conversion to market rates. One of them is the MacArthur Apartments #1 and #2 located at 1130 F Street which is owned by private individuals. The complex has 100 elderly units which were funded with a Farmers Home Administration (FmHA) Section 515 loan in 1978. This project was eligible to convert in September 1993. The other known project consists of 9 units at 541 and 547 I Street which is owned by a private individual. Rehabilitation of these units were funded by a Community Development Block Grant in 1982. These units may convert to non-low income units in December 1997.

Analysis

With respect to the MacArthur apartments, the contract with the Farmer's Home Administration Section 515/8 program was renewed in September 1993 for another five year period. At this time, there is no indication that the units would be removed from contract in September 1998. However, it is estimated that the cost of building 100 new elderly apartments in the City, if these should convert to non-low income housing, is approximately \$2 million. The fair market value of the complex is estimated at \$1.6 million. Preservation of these units would probably be more economical than constructing new ones.

The nine apartments at 541 and 547 I Street are located in the downtown district on the second floor above commercial uses. In 1982, the owner received approximately \$129,000 through a CDBG grant to rehabilitate the units. Based on a fair market value of these units, including the lower floor business units, of \$250,000 and a new construction cost of \$600,000 it is also probably more economical to preserve these units than to construct new ones.

Housing Strategy

It should be a goal of the City to preserve these units. The City should encourage the owners of the MacArthur apartments to renew their contract with the FmHa program if possible in 1998. If these units become available for sale, however, the City should encourage the Merced County Housing Authority or assist in finding a non-profit agency to purchase the units. The City currently does not have an active low-income housing construction or rehabilitation program and should pursue funding for such program. The City of Los Banos established a redevelopment agency in 1996, and in the next five years, the agency will have approximately \$306,500 set aside for housing. This money could be applied to purchase of the described units or construction of new units.

HOUSING NEED

Housing need is a complex issue, consisting of at least three major components: housing affordability, housing quality, and housing quantity. In addition, certain segments of the population have traditionally experienced unusual difficulty in obtaining adequate housing. Those unusual difficulties experienced by the elderly, handicapped, single parent (especially female) heads of household, large families, and farm workers are discussed as special housing needs of this section.

Housing Affordability

State housing policy recognizes that cooperative participation of the private and public sectors is necessary to expand housing opportunities to all economic segments of the community. A primary State goal is the provision of a decent home and a satisfying environment that is affordable. The private sector generally responds to the majority of the community's housing needs through the production of market-rate housing. There are many components involved in housing costs. Some of these factors can be controlled at the local level, others cannot.

Some of the effects or problems which result from increased housing costs include the following.

- Declining Rate of Home Ownership: As housing prices and financing rates climb, fewer people can afford to purchase homes. Households with median and moderate incomes who traditionally purchased homes, compete with less advantaged households for rental housing. This can be expected to result in lower vacancy rates for apartment units and higher rents. This trend has not begun in Los Banos largely due to the affordable resale market.
- Overpayment: The cost of housing can eventually cause fixed-income, elderly and lower income families to use a disproportionate percentage of their income for housing. This in turn can lead to other financial problems including a deterioration of housing stock because the costs of maintenance must be sacrificed for more immediate expenses (e.g., food, clothing, medical care, and utilities). This may be contributing to the general deterioration of housing found in some of the older areas of the community, and discussed in Chapter 4.
- Overcrowding: As housing prices climb, lower income households must be satisfied with less house for the available money. This can result in overcrowding which places a strain on physical facilities, does not provide a satisfying environment, and may eventually cause conditions which contribute to both deterioration of the housing stock and neighborhoods.

Overpayment for Housing

The overpayment of housing as a percentage of disposable income can create economic hardship for families. By spending a substantial portion of their income on housing, other needs such as health care, education and clothing may be neglected. Review of the 1980 and 1990 Census figures show that the problem of overpayment has increased in Los Banos. Further, the change in overpayment from 1980 has affected renters more than owners. As shown in Table 16a, in 1980, 46.62 percent of renters in all income groups paid over 25 percent of their income for housing. This figure has increased to 58.95 percent in 1990, an increase of 26.44 percent. Table 16b identifies households paying more than 25% of their income towards housing by income group; 80% of low-income renter households pay more than 25% of their income towards housing and 68% of low income households overall (renters and owners combined) pay more than 25% of their income towards housing compared to 44 % of households overall.

Table 16a Los Banos Housing Affordability						
Percent of Income	1980		1990		Change	
Owners	#	%	#	%	#	%
< 20%	1,245	64.98%	1,328	51.51%	83	6.67%
20 - 24%	240	12.53%	372	14.43%	132	55.00%
25 - 34%	161	8.40%	498	19.32%	337	209.32%
35+	270	14.09%	380	14.74%	110	40.74%
Totals	1,916	100.00%	2,578	100.00%	662	
Renters						
< 20%	601	43.18%	402	22.51%	-199	-33.11%
20 - 24%	142	10.20%	331	18.53%	189	133.10%
25 - 34%	236	16.95%	351	19.65%	115	48.73%
35+	413	29.67%	702	39.31%	289	69.98%
Totals	1,392	100.00%	1,786	100.00%	394	

Source: 1990 Census

Table 16b Households Overpaying			
Households	Owner Households	Renter Households	Total Households
Total Specified Households	2,578	1,786	4,364
Paying more than 25% of Income	878 or 34 percent	1,053 or 59 percent	1,931 or 44 percent
Lower Income Households			
Household Income Less than \$24,000	938	1,200	2138
Paying more than 25% of Income	497 or 53 percent	954 or 80 percent	1451 or 68 percent

Source: 1990 Census

Overpayment for housing may also affect those in income levels normally considered financially secure. For example, to qualify for the median new home price of \$110,000, the family income needs to be almost \$30,000 annually, with no other monthly obligations. In Merced County, a monthly income of \$2,500 is above the median income reported in the 1990 Census of \$24,649. Los Banos is fortunate to have a large and affordable resale housing market. While many of the newly constructed homes maybe unaffordable for median or below-median income families, market information indicates that resale of existing homes are affordable.

Analysis

A portion of the overpayment problem can be related to income levels that have not kept pace with the cost for housing. In 1980 for example, the median income was \$14,582, and the median house price was \$60,000. By 1990, the median income had risen to \$24,649, but the median house price had also risen to more than \$110,000. These figures represent an increase in income of approximately 69 percent, with an increase in new housing cost of over 83 percent. To ensure that the resale market continues to be healthy in Los Banos, the supply and variety of new homes must be maintained. Further, existing homes must be maintained at a level that maintains their property value and attractiveness to home buyers.

Similar analysis for rental households shows a corresponding deficit of income to rent. Rents in 1980 averaged between \$160 and \$250 per month, while by 1990 rents had increased to between \$300 and \$500. Although this increase in average rent was not as substantial as the increase in housing cost, renters typically fall below the median income level, where an increase in costs is more significant. In many cases, increases in rents may have exceeded an increase in income.

According to the Merced County Housing Authority, there are approximately 40 Section 8 (rental assistance) units in Los Banos. At the present time the Merced County Housing Authority has a waiting list of over 2,346 families that have requested housing within Merced County. Of these households, 127 families have at least one member who is disabled or handicapped, 346 families have an elderly member, and 1,553 families have a female head of household.

While housing construction cost as a component of housing need is evaluated in Chapter 7, there is an obvious relationship to the cost building and overpayment for housing.

Housing Strategy

There is little the City can accomplish by itself to influence the price of housing. City resources are insufficient to finance public housing without the active participation of other agencies. The City can however, ensure that sufficient vacant land is available inside the City limits to provide housing for all income levels, and that public services can be made available. Aside from these actions, the City will continue to support first home buyer and rental subsidy programs offered through other agencies. To help maintain existing housing stock, particularly around the down-town area, the City will investigate Redevelopment and use the 20 percent set-aside to finance housing rehabilitation programs designed to preserve and conserve existing housing stock. This approach ensures pedestrian traffic near the down-town, encourages home-ownership and pride in neighborhoods.

Overcrowding

One of the primary outcomes of expensive housing, is overcrowding. Using the standard definition, a unit is overcrowded if there is more than one person per room (excluding kitchen & bathrooms). Table 17 shows that 13.14 percent of the total housing units within Los Banos were overcrowded in 1990. The table also shows that renters are more likely to live in overcrowded conditions than home owners.

Overcrowding is often reflective of one of three conditions; either a family or household living in too small a dwelling, a family required to house extended family members (i.e. grandparents or grown children and their families living with parents), or a family renting inadequate living space to non-family members (i.e. families renting to migrant farm workers).

Overcrowding may also reflect a conflict between traditional and ethnic values, and the market place. In California, the conventional new single family home has three bedrooms, two bathrooms and a living room. Under the definition, a typical family of 4+ is not considered overcrowded. The conventional apartment usually has two bedrooms, one bathroom and a living room. Thus, the same family that would be adequately housed in a conventional home, would be overcrowded in an apartment.

There is a direct relationship between the size of the structure and the amount of rent charged. Consequently, larger families that are forced to rent, often pay a greater percentage of their income for housing. Whatever the cause, there appears to be a direct link between housing affordability and overcrowding. Either homeowners/renters with large families are unable to afford larger dwellings, older children wishing to leave home are prohibited from doing so because they cannot qualify for a home loan or are unable to make rental payments, grandparents on fixed incomes are unable to afford suitable housing or have physical handicaps that force them to live with their children, families with low incomes will permit overcrowding to occur in order to derive additional income, or there is an insufficient supply of housing units in the community to accommodate the demand.

Table 17 Incidence of Overcrowding		
Owner	#	%
1.00 or less	2,698	94.04%
1.01 - 2.00	149	5.19%
2.01 or more	22	0.77%
Totals	2,869	100.00%
Renter	#	%
1.00 or less	1,447	76.04%
1.01 - 2.00	333	17.50%
2.01 or more	123	6.46%
Totals	1,903	100.00%
Total	#	%
1.00 or less	4,145	86.86%
1.01 - 2.00	482	10.10%
2.01 or more	145	3.04%
Totals	4,772	100.00%

Source: 1980 & 1990 Census

Analysis

Overcrowding can be alleviated in a variety of ways. Remodeling and additions to existing owner occupied housing units and the construction of larger apartment units are the most common. However, to accomplish this it is necessary to provide adequate financing and construction opportunities for the homeowner and the apartment developer.

While most homeowners in an overcrowded situation recognize the desirability of providing additional living space within their home, many do not possess adequate construction skills to achieve this without employing an outside contractor. This expense is often beyond the financial ability of the homeowner. Often the initial placement and design of the home makes expansion and remodeling difficult or expensive. In some instances, additions or remodeling may be completed without proper permitting, inspections or safe construction practices. Although this may not occur on a large scale, the end result may be unsafe housing units.

The construction of apartment units with larger living quarters necessitate the developer demanding a higher rent to offset the additional costs. As noted in Table 16, there are 1,053 households residing in rental units that are spending 25 percent or more of their income on housing. This represents a 26 percent increase over 1980, and would indicate that the cost of housing out-paces the increase in local wages. These households cannot afford to pay more for larger living quarters. Through subsidized housing programs provided by the Housing Authority and assistance to developers it may be possible to increase the number of apartment units with more rooms without further impacting those most in need.

Housing Strategy

The City needs to work closely with Merced County Housing Authority to help develop projects that cater to larger low- and very-low income families. The City should encourage development of larger projects, with on-site management, to ensure a safe and secure environment.

The City should pursue Community Development Block Grants to encourage redevelopment, rehabilitation and new construction within and around the downtown. These older homes are often larger, and more easily expanded than some newer developments. The City allows subordinate second units to be constructed in R-1 zones. Enforcement of the building code provisions for remodeling and additions should also be a component of a housing rehabilitation and conservation program.

Proceeds from a Redevelopment District set-aside could help finance both Grant Application and matching funds for a rehabilitation and new construction program designed to address the need for three and four bedroom rental units. Further, depending on the extent of the District, housing could be developed for senior citizens, and other special needs groups, adjacent to City services.

SPECIAL NEEDS

The State Housing Law requires that the special needs of certain disadvantaged groups be addressed. The needs of the elderly, handicapped, large families, female heads of household, and farm workers are discussed below.

Large Family Households

Large families are indicative not only of those households that require larger dwellings to meet their housing needs, but also of a large number that live below the poverty level. Table 18 indicates the size of households for Los Banos in 1990.

Table 18 Large Families		
Owner	Number	Percentage
2 or Less Persons	1,497	52.18%
3 - 4 Persons	958	33.39%
5 Persons	257	8.96%
6 or More Persons	157	5.47%
Totals	2,869	100.00%
Renter		
2 or Less Persons	870	45.72%
3 - 4 Persons	636	33.42%
5 Persons	200	10.51%
6 or More Persons	197	10.35%
Totals	1,903	100.00%
Total		
2 or Less Persons	2,367	49.60%
3 - 4 Persons	1,594	33.40%
5 Persons	457	9.58%
6 or More Persons	354	7.42%
Totals	4,772	100.00%

Analysis

Large families pose a unique problem to local government. There is no means of forcing larger dwellings, no guarantee that large families will move into larger dwellings if made available, and no real method of making larger dwellings affordable. While the local agency can work to reduce the processing cost of larger dwellings, this cost is often a small percentage of the cost of construction.

The issue also deals with ethnic or religious beliefs. Some people simply prefer to have larger families, and to these groups "overcrowding", or their relative level of income is not as important as having a healthy and successful family.

Housing Strategy

This housing strategy for this need is essentially identical to that of "overcrowding" shown above.

Elderly Persons

The special housing needs of the elderly are an important concern for the City of Los Banos since they are likely to be on fixed incomes or have low incomes. The elderly also have special needs related to housing construction and location. They often require ramps, handrails, lower cupboards and counters, etc., to allow greater access and mobility. They may also need special security devices for their homes to allow greater self-protection.

Table 19 Age of Population 1980 - 1990						
Age	1980	%	1990	%	Incr.¹	Δ%
0 - 4	945	9.14%	1,363	9.39%	418	44.23%
5 - 9	877	8.48%	1,379	9.50%	502	57.24%
10 - 14	811	7.84%	1,221	8.41%	410	50.55%
15 - 19	1,006	9.73%	1,049	7.23%	43	4.27%
20 - 24	866	8.37%	895	6.16%	29	3.35%
25 - 34	1,591	15.38%	2,454	16.90%	863	54.24%
35 - 44	1,050	10.15%	1,857	12.79%	807	76.86%
45 - 54	1,024	9.90%	1,210	8.33%	186	18.16%
55 - 59	560	5.41%	572	3.94%	12	2.14%
60 - 64	490	4.74%	668	4.60%	178	36.33%
65 - 74	738	7.13%	1,146	7.89%	408	55.28%
75+	386	3.73%	705	4.86%	319	82.64%
Totals	10,344	100.00%	14,519	100.00%	4,175	40.36%

Homes constructed to meet the needs of the elderly must be sensitive to location with access to public facilities (i.e., medical and shopping) and public transit facilities. In most instances the elderly prefer to stay in their own dwellings rather than relocate to a retirement community, and may need assistance to make home repairs. If they decide to relocate, their new home should allow for small pets and possibly space for a garden. In

any event, it is important to maintain their dignity and self-respect. As shown in Table 19, the number of persons 65 years old and older has increased from 10.86 percent of Los Banos's population in 1980 to 12.75 percent in 1990.

Table 20 Tenure by Age of Householder				
Age Group	Number	Percentage	Poverty Level	
			At or Above	Below
Owner				
25 - 34	425	14.81%	349	77
35 - 44	646	22.52%	549	97
45 - 54	360	12.55%	335	25
55 - 64	486	16.94%	394	92
65 - 74	626	21.82%	538	88
75+	310	10.81%	279	31
Totals	2,869	100.00%	2,444	410
Renter				
25 - 34	579	30.43%	475	104
35 - 44	359	18.86%	305	54
45 - 54	246	12.93%	229	17
55 - 64	183	9.62%	148	35
65 - 74	143	7.51%	123	20
75+	160	8.41%	144	16
Totals	1,903	100.00%	1,424	246

Source: 1990 Census

Table 20 shows that 934 households in Los Banos, or 13 percent of the total households, were headed by an individual 65 years of age or older in 1990.

Analysis

The needs of this group varies depending upon age and health. As discussed above, their needs may include easy access to shopping or medical services by walking, using public transportation or private shuttle service. In some cases special assistance such as "Meals on Wheels," or in-home nursing care may be required. In addition to providing housing opportunities, the need to provide assistance to seniors in the

remodeling and rehabilitation of their housing to meet their unique needs is also critical.

Housing maintenance may be especially difficult for older residents, and minor problems can often become major through neglect. This deterioration of housing can lead to a lower quality of life for the resident, and potentially create a health hazard. In some instances, continued neglect can result in the need to remove the housing unit. This can have the unfortunate result of both displacing a family, and resulting in the loss of an affordable housing unit.

Housing Strategy

Currently, there is funding available for rehabilitation of housing units through monies provided by Proposition 77, the California Housing Rehabilitation Plan. One of the unique components of this plan (CHRP-O) provides for loans to seniors with a three percent interest rate that does not need to be repaid until the property is sold or transferred. Utilization of this funding source would provide an opportunity for seniors to rehabilitate their existing homes as well as, remodel their homes to meet their needs.

The City should guide design and construction of units intended to serve elderly residents toward areas where sufficient public services exist. The City should work to either establish, or participate in a rehabilitation program. Owners subject to zoning and building code violations could then be referred to a potential funding source. One potential funding source would be set-aside revenue from a Redevelopment District.

There is one apartment project, the McArthur Apartments, that are under contract with the Farmer's Home Administration Section 515/8 program to provide services to the elderly. The contract was renewed in September 1993 for another five year period. At this time, there is no indication that the units would be removed from contract in September 1998.

In May 1993, the City adopted a "Granny Flat" housing ordinance which allows the addition of a second, detached, single family dwelling in R-1 zones, with occupancy limited to 2 persons that are 62 years of age or older.

Handicapped Persons

There are many types of handicaps and no one definition is adequate. Local government utilizes the definition of "handicapped" person as contained in Section 22511.5 of the California Administrative Code for vehicle and building code enforcement. A handicapped (disabled) person is defined as:

1. Any person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, or who has a diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistant device.

2. Any person who is blind to such an extent that the person's central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees.
3. Any person who suffers from lung disease to such an extent that his forced (respiratory) expiratory volume one second when measured by spirometry is less than one liter or his arterial oxygen tension (pO₂) is less than 60 mm/Hg on room air at rest.
4. Any person who is impaired by cardiovascular disease to the extent that his functional limitations are classified in severity as Class III or Class IV according to standards accepted by the American Heart Association.

Handicapped persons often require specially designed dwellings to permit free access not only within, but to and from the dwelling. Special modifications to permit free access are very important. The California Administrative Code Title 24 requirements mandate that public buildings, including motels and hotels, require that structural standards permit wheelchair access. Rampways, larger door widths, restroom modifications, etc., enable free access to the handicapped. These standards are not mandatory in new single family residential construction.

Table 21 Handicapped Households				
Disability	16 - 64 Years	Percent	65 + Years	Percent
Worker Disability				
Mobility Limitation	217	2.57%	280	15.48%
No Mobility Limitation	737	8.74%	403	22.28%
No Work Disability				
Mobility Limitation	336	3.98%	108	5.97%
No Mobility Limitation	7,146	84.71%	1,018	56.27%
Totals	8,436	100.00%	1,809	100.00%

Source: 1990 Census

Analysis

Like the elderly, the handicapped also have special needs based on location. Many desire to be located near public facilities, and especially near public transportation facilities that provide service to the handicapped. Table 21 indicates the number of persons in 1990

who had handicaps that either restricted them from working or restricted them from using public transportation. While table 21 indicates a large number of persons 65 years of age and older with transportation difficulties, it should be noted that many government programs that group seniors and handicapped persons together (such as HUD Section 202 housing) do not serve the specific needs of the handicapped.

Merced County operates a Home Health Agency that provides nursing care, specialized equipment and assistance to clients in need throughout the county. As a part of their referral service, they keep track of housing units equipped to meet special needs (i.e., ramps, lower window sills, counters, storage, etc.) and a list of clients in need of such housing. The agency also provides consulting services to builders and building departments on the technical aspect of specific needs including equipment size, ventilation and other major design components. While the agency currently serves over 300 clients, it does not keep a list of persons in need. The City of Merced is the preferred housing location due to increased number of services and available medical care, however the agency provides service throughout the County.

Housing Strategy

The City should guide design and construction of units intended to serve handicapped residents toward areas where sufficient public services exist. The City should work to either establish, or participate in a rehabilitation program, potentially as a component of redevelopment. Owners subject to zoning and building code violations could then be referred to a potential funding source. The City should continue to refer builders to the Merced County Home Health Agency for advice and information on providing specialized handicapped facilities. The City will continue to enforce the building code requirements for handicapped access.

Female Heads Of Household

Families with female heads of household experience an extremely high incidence of poverty. Table 22 lists the numbers and percentages of those female-headed households where at least one child is present.

Table 22
Single Parent Head of Household With Age of Children

	Poverty Level					
Male *	Above	%	Below	%	Total	%
Under 5	78	29.00%	37	40.66%	115	31.94%
5 Years	13	4.83%	0	0.00%	13	3.61%
6 to 17	178	66.17%	54	59.34%	232	64.44%
Totals	269	100.00%	91	100.00%	360	100.00%

% Total Households

1.91%

Female						
Under 5	56	18.12%	228	32.90%	284	28.34%
5 Years	11	3.56%	75	10.82%	86	8.58%
6 to 17	242	78.32%	390	56.28%	632	63.07%
Totals	309	100.00%	693	100.00%	1,002	100.00%

% Total Households

14.52%

Source: U.S. Bureau of Census

A high poverty level often results in poorly maintained dwellings since income is more apt to be spent on more immediate needs such as food, clothing, transportation, and medical care. Traditionally, housing maintenance has been the responsibility of male heads of household and female heads of household are sometimes ill-prepared to take on this responsibility without proper training or knowledge and may need assistance. Since their time may be limited to taking care of basic households chores, earning income, and caring for their children, they may have little time to spend on maintaining their dwelling.

Of the 4,772 households in Los Banos, 1,362 or approximately 28.54 percent, are headed by single parents. Of the 1,362 single parent households, female single parents comprise over 73 percent. The vast majority, nearly 70 percent, of single parent households were considered by the census as being below the poverty level.

Analysis

A major problem facing single parent households is the inability to provide for the basic necessities and childcare during the workday. As a result, many are unable to break out of the poverty level through full-time employment.

At the present time there are a variety of programs available within the City of Los Banos to meet a portion of this need. Among the programs available is the Headstart program which is operated by the Community Action Agency, a County non-profit agency. This program provides a nurturing environment that provides a good training

ground for children of very low- and low income families. In addition to the educational program a nutritional program is provided as well.

Housing Strategy

The Los Banos School District sponsors an excellent "latch key" program that provides extended school services for K-6 children. The program caters to children both in school and on vacation, and provides an extended learning environment for approximately 90 children at Miano School. Parents that are working, in training or college are eligible to enroll their school age children in the program. The program can provide breakfast and lunch as needed. Operation of the program is funded by state and federal funds, and user fees. User fees are established using a sliding scale based on income. Additional sites at other schools are planned as the program grows. The City should continue to support the "latch key" program as it helps single parents to remain in the workforce.

Farm Workers

Merced County includes both permanently and seasonally employed agricultural workers. The State of California defines seasonal employees as those who are employed less than 150 consecutive days by the same employer. Seasonally employed workers are difficult to assess due to the transient nature of their work. These workers may be migratory or they may be persons or family members who are temporarily employed but permanently located in Merced County. The Employment Development Department reported that in 1992, a monthly average of 2,305 seasonal employees were from other states while an average of 1,162 per month had migrated from locations within the State of California. The State defines a local worker as a seasonal laborer who resides close enough to the job site to return home each night. In 1992, 41 percent of the seasonal laborers were interstate, 39 percent were local workers and the remaining 20 percent were intrastate.

It is important to remember that these seasonal numbers are an average of monthly figures. On the average, 3,467 non-local employees work on farms in Merced County. By definition, these workers are too far from their permanent residences to commute. Table 23 illustrates that the number exceeds 5,000 persons during some months.

There are five State Migrant Centers in the County managed by the Merced County Housing Authority which provides 290 housing units from May to November. The centers are located in Merced, Los Banos, Cortez, Los Banos/Livingston, and Planada. In addition, there are 44 private farm worker camps in the County that are permitted

Table 23
Merced County Monthly Variations
in Seasonal Agricultural Sector Employment for 1991

Month	Local	Non-Local		Total
		Intrastate	Interstate	
January	1,450	550	650	2,650
February	2,000	1,000	220	3,220
March	2,000	1,000	1,200	4,200
April	2,000	790	1,000	3,790
May	2,800	1,060	2,550	6,410
June	1,215	1,300	5,595	8,110
July	3,000	1,180	4,000	8,180
August	3,000	1,220	4,000	8,220
September	3,000	2,960	5,000	10,960
October	2,000	1,180	2,200	5,380
November	1,600	700	800	3,100
December	2,000	1,000	440	3,440
Total	26,065	13,940	27,655	67,660
Average	2,172	1,162	2,305	5,638

Source: State Employment Development Department, 1991

Housing shortages exist during peak seasonal labor periods when a large influx of migrant workers occurs in Merced County. During these periods, every form of temporary, substandard, and standard shelter is occupied. At the State Migrant Centers, 92 farm worker families were turned away on opening day last year, representing over 25 percent of those families seeking migrant housing at the centers.

According to Nadine Dhanju, Agri-Business Representative, State Employment Development Department, approximately five percent of the non-local seasonal farm workers settle in the Merced County area each year.

Analysis

The Merced County Housing Authority has assumed the responsibility for providing farm worker housing throughout the County. This allows one agency to apply available funding, and put the funds to use in areas of the most need.

Housing Strategy

The City should continue to support the efforts of the Merced County Housing Authority.

Homeless

The 1990 census did not indicate any homeless in Los Banos. Nevertheless services to individuals and families in need of aid are provided through referral from the police department to several churches in the community. Because of the availability of services, most referrals are sent to the City of Merced.

A shelter for women and children is located in Merced on 20th Street which is operated by CAA. This facility has capacity for 16 people and is open all year. During the winter months, the National Guard Armory on 8th Street in Merced is used as a seasonal shelter for women and men. This facility is open generally from November through March, depending upon the weather, between the hours of 7:00 pm to 7:00 am. In addition to overnight accommodations, the shelter provides showers and dinner. If the temporary shelter conflicts with National Guard activities, then the Stephen Leonard Hall on T Street is used as a backup shelter. The Armory averages about 24 persons per night and has had a peak of 44 persons per night seeking shelter.

The CAA hopes to open a new shelter in less than a year in the City of Merced. This shelter will be located on 18th Street in a seven bedroom home with accommodations for between 18 to 20 homeless persons.

For those homeless with special needs, the Merced County Mental Health Department provides housing and other support services to the mentally ill and people recovering from drug and/or alcohol addiction. The Mental Health Department pays the rent for the mentally ill in two homes with a total of 11 beds. They also pay rent for temporary motel stays if the mentally ill person is homeless.

Analysis

The city experiences periods during the year when there are some homeless individuals within the community. These individuals, and occasional families, are usually farm workers following the harvest. Other incidents include people stranded in-route along Interstate 5, or out of work. As the City grows, it is reasonable to expect increasing incidence of homelessness.

Housing Strategy

Even the social “experts” are unclear as to what strategy **will** work best to aid homeless individuals or families. In large urban areas, private **and** public funded homes have become a way of life, however their long-term success rate is unclear. For farm workers temporarily without lodging, the best referral is **to the** Merced County Housing Authority. The City's housing policies encourage the **support** of farm worker housing maintained by the Housing Authority.

The City of Los Banos is not large enough to unilaterally **support** a homeless shelter or half-way-house. For these services, the City will need **to** rely on, and support where possible, private charitable organizations. Even **though**, the City should have a provision to accommodate emergency shelters and **transitional** housing. The City's Zoning Ordinance does not identify zoning districts **in** which homeless shelters (emergency and transitional) are permitted. It is **recommended** that homeless shelters be permitted with a Conditional Use Permit in districts **that** allow hotel and motel and other supportive services. Presently, hotels and motels **are** permitted in the Highway Commercial (H-C) and Retail Commercial (C-1) zone **districts**.

Promotion of Equal Housing Opportunities

Although essential to meeting housing needs, the **provision** of a sufficient number of dwelling units will not in itself ensure that the entire **population** will be adequately housed. A large segment of the population is living on **very** low incomes. As housing costs have risen in recent years, many of these households have been forced to apply an excessive amount of their budgets to housing costs. **In** order to remain in the home of their choice, some residents, such as the elderly, pay **a** large portion of their income on housing restricting their ability to purchase other **basic** living necessities. In the case of the large family, lack of sufficient income usually **restricts** housing choice to the least expensive dwelling unit, generally inadequate **for** their family needs, and frequently deficient in quality and size.

For many other households who have sufficient income **to** purchase quality housing, choice of housing location is still frequently denied **because** appropriate housing at acceptable cost is not adequately dispersed **throughout** the City.

Although inadequate distribution of affordable housing **within** a community is an important constraint to choice, discrimination due **to** race, religion, or ethnic background, is an equally significant factor affecting **equal** housing opportunity. Actions which result in illegal discrimination in the **renting** or sale of housing violates state and federal laws and should be reported **to the** property authorities for investigation. The agency responsible for investigations **of** housing discrimination complaints is the State Department of Fair Employment **and** Housing.

Housing Strategy

To ensure that all residents have access to housing **regardless** of race, creed, color or religion, the City of Los Banos provides information **on** fair housing laws and refers

citizens with discrimination complaints to the State Department of Fair Employment and Housing. The City should develop a directory of services and resources for very low, low, and moderate-income households and special needs groups. This information should be available at City Hall and targeted areas within the community most likely to be subject to housing discrimination. The City should also work with the local newspaper to periodically publish information on fair housing laws and identify agencies to contact regarding discrimination complaints.

HOUSING RESOURCES

In order to properly plan for future housing needs, undeveloped lands available for housing within existing urban boundaries and within projected growth areas must be inventoried.

This General Plan is based on growth assumptions that reflect the City's past growth patterns. Since 1980, annual growth rates have ranged from under 2 percent to over 8 percent. Taken as an average however, the City has grown at about 4 percent. For the purposes of the General Plan, the annual high and low figures were used for the upper and lower growth projections, and a probable scenario was built using building permit activity, need for public improvements, and typical growth rates of similar central valley communities. There is sufficient area within the *Urban Limit Line* as defined in the **Land Use Element**, to accommodate expansion.

Growth Areas

The *Area of Interest* selected for the General Plan is much larger than the most optimistic growth projection. To ensure that the area selected was accommodating to growth, but not necessarily encouraging of new growth, several assumptions of future land use have been made. These assumptions include provisions for protecting agriculture, openspace, industry and commercial uses, as well as directing growth away from sensitive areas.

Planning Horizon

As indicated above, the *Area of Interest* is significantly larger than the current City Limits, and contains more land than the City is projected to need over the next 20 years. The Update Committee discussed the relative importance of planning for 20 years as opposed to concentrating on immediate concerns. The consensus of the Committee was that the General Plan Goals and Objectives should concentrate on issues not likely to be resolved over the 20 year period, while the policies and programs should be designed for implementation within 5 - 10 years. To this end, within the *Area of Interest*, an *Urban Limit Line* was developed. This line in most areas, is more a separation of urban and rural land use types than a physical boundary for development. Some exceptions to this include areas where the City does not foresee development within the 20 year General Plan period, or where environmental constraints warrant protection from urban encroachment.

Available Land Inventory

Table 24 itemizes vacant residential land within the City of Los Banos by zoning designation. Also shown in the table is an assumed unit per acre development density, and the approximate number of units anticipated at full buildout.

Table 24			
Buildout Projections of Existing Vacant Land			
	Vacant Acres	Units/Acre	Total Units
<i>Residential</i>			
Planned Development	142.4	3.0	427
Low Density Residential	830.1	4.5	3,736
Medium Density Residential	31.3	12.0	376
High Density Residential	47.9	18.0	862
Totals	1,051.7		5,401

Source: Urban Research Associates

Development of vacant "by-passed" land within the City's jurisdiction is encouraged in order to protect agricultural lands on the fringe and provide greater utilization of existing infrastructure. This type of development, often referred to as "infill", allows for the development of affordable housing using existing infrastructure. The City will consider applications for higher densities in infill areas where development will not have significant adverse impacts upon adjacent properties. Siting development criteria may include properties that are contiguous to existing higher density or other intensive non-residential development, or properties which have a size and shape that may make it difficult to be developed in a manner similar to other surrounding properties.

State law requires that zoning be consistent with adopted General Plans (except Charter cities). Los Banos's undeveloped lands have been zoned in accordance with the present land use plan and development potential may be determined based upon the maximum allowable density of each zoning district. It is more difficult to specify the development potential of fringe area land where County zoning is in place. However, for planning purposes, future development may be estimated for the residential reserve areas based on average density. Low, medium, and high density residential reserve designations will ultimately translate into average densities of approximately 4.5, 12, and 18 dwelling units per acre.

Table 25 indicates the development potential for each dwelling type based upon existing zoning or anticipated future zoning. It should be noted that although condominium units are considered a basic housing style, a specific zoning district has not been established for their use. They are permitted, however, within areas zoned

for multiple-family residential use subject to a conditional use permit. This arrangement has allowed developers flexibility in placement of the units, while permitting adequate protection to established neighborhoods through a formal public review process. Manufactured housing is also considered an important housing alternative, especially in serving the needs of lower-income and elderly households. Placement of manufactured housing on conventional single family lots is permitted provided it is placed on a foundation.

Table 25
Los Banos Zoning Definitions

Zoning Categories	Minimum Lot Size	Units Per Acre
R-1, Low Density Residential	6,000 SF	7.2
R-2, Medium Density Residential	6,000 SF	17.4
R-3, High Density Residential	6,000 SF	10-14 units/acre
Mobile Home Park Combining District		
T (R-2)	5 AC	8
T (R-3)	4 AC	12
R-3, High Density Residential	7,200 SF	25

Source: Los Banos General Plan, 1981 and Los Banos Zoning Ordinance and Map.

Table 25 indicates the zoning definitions of Los Banos's land reserves based on projected population. As indicated, the residential land reserves are adequate to meet anticipated growth. Also, the amount of land designated for medium and high density residential use is anticipated to provide for the estimated 1,087 units of new housing determined necessary by the Merced County Association of Governments "Regional Housing Needs Plan".

CONSTRAINTS TO HOUSING

Availability of Public Facilities

Water Supply

Los Banos relies on ground water for its domestic water supply. Deep wells, below the Corcoran clay layer, provide generally good water quality. Water quality limitations to the northwest of the Planning Area, and better quality in the southwest, suggest that new wells should be developed in the southwest part of the Planning Area. Although there appears to be a good supply of groundwater toward the southwest, in order for the City to implement the Land Use Plan without significant effect on the groundwater supply, alternative water supply sources must be developed. One of the most readily available sources is surface water which can be supplied by local canal and irrigation districts.

If the City was to utilize a surface source of water, extensive retrofitting and distribution system improvements would be necessary to provide service throughout the City. The capital costs of surface water alternatives should include the cost of upgrading the distribution system to adequately provide service throughout the City.

Conservation will remain a priority for the foreseeable future. Reuse of treated wastewater for irrigation of open space is gaining popularity, but retrofitting existing developed areas is currently impractical. The cost effectiveness of satellite tertiary plants must be evaluated against conservation programs and initial cost for new residential development and open space irrigation needs.

Los Banos's water distribution system consists of looped water lines using a minimum of 8 inch mains, with most larger mains at 10 inches. Growth of the system to serve new development will require continued looping of lines and expansion of fire flow reserve capacities. As the City grows, water well locations and distribution pipelines must be planned as part of an overall system. The City has established fire flow requirements for new development at 2,000 gallons per minute for residential units (1,500 gallons per minute is acceptable with non-combustible roof covering), and 3,500 gallons per minute for commercial and industrial land uses. There are no major system constraints for future development, however problems exist in older sections of the City with small 6 inch lines which should be addressed over time, through a retrofitting program.

Wastewater Treatment

The wastewater treatment plant underwent expansion to a capacity of 3.5 million gallons per day in 1991, which completed phase 1 of a multi-phase expansion program. Phase 2 will expand the treatment plant capacity to 4.5 million gallons per day, or about equivalent to 13,000 residential dwelling units. The plant currently provides waste water treatment for about 6,000 residential units, as well as, industrial users. The current design capacity of 3.5 million gallons per day (mgd) is sufficient for growth through the year 2003 or about another 4,000 dwelling units (most of which have already been approved as Tentative Subdivision Tract Maps). A limiting factor for treatment capacity is a secured long-term disposal area for effluent.

The wastewater collection system is basically a gravity system with lift stations as necessary. A gravity system is the most cost effective and energy conservative system to operate. The City has prepared a Sanitary Sewer Master Plan (Nolte, 1981) which forms the basis of the City's implementation program to expand the sewer collection system. The present system can accommodate projected growth within the range projected in the General Plan in the short term. However, to accommodate build-out within the Planning Area of the City, additional new interceptors will be required. The growth rate assumptions and projected residential densities contained in the current Sanitary Sewer Master Plan are consistent with projections contained in this General Plan.

The land currently used for wastewater treatment and disposal is located northeast of the City on approximately 985 acres. Additional land around the plant is owned by the

City, some of which has been dedicated to wetlands. The property area would be sufficient for expansion of the wastewater treatment plant, however additional area for wastewater disposal may be necessary. Other mechanical modifications may be necessary to address increased levels of biochemical oxygen demand at the plant, which may also improve the plant treatment characteristics somewhat.

While the capacity of the wastewater treatment plant is not an immediate constraint to growth, the capacity of the collection and transportation system is a major constraint in some areas of the City's Planning Area, particularly in the central area of the City, areas west of Ortigilita Road and east of Ward Road. Other areas which would require expansion of the sewer collection system lay north of the Southern Pacific Railroad and west of the San Luis Canal, as well as south of Cardoza Road to Pioneer Road. Growth south of Pioneer to the proposed Highway 152 by-pass will have to address significant sewer interceptor issues and connection routes to the waste water treatment plant. Options available to the City to solve the lack of capacity in the collection system include expansion and enlargement of the existing sewer collection system, or creation of satellite water reclamation plants.

Storm Water Drainage

Storm water drainage is accomplished in the Planning Area through a system of storm water collection and drainage disposal basins, as well as controlled discharge into a number of canals owned and operated by irrigation or water districts. Because of changing regulations, the City may need to find alternatives for retention and disposal of drainage water in regional storm water basins as opposed to continued discharge into canals.

The City prepared a Storm Drainage Master Plan (Nolte, 1981) which described the retention and disposal facilities necessary to accommodate an additional 16,149 new residential units within the Master Plan's study area. Updating the Drainage Master Plan to anticipate and prepare for discharge criteria changes will be essential to avoid substantial retrofitting of new systems. The City of Los Banos Department of Public Works is responsible for implementing the Drainage Master Plan and maintaining the system. Unlike water and sewer services, drainage maintenance is not an enterprise function of the City. Typically, drainage maintenance funding is provided in new developments through the formation of drainage maintenance districts allowed for by California Law.

Fire Services

The Los Banos Fire Department currently operates with four full-time staff, the Fire Chief, Fire Prevention Officer, and two engineers. The City benefits from an active volunteer department who respond to fire calls on a routine basis. Fire Dispatch is handled through the Los Banos Police Department.

The Fire Department has attempted to establish a response time of 5 to 6 minutes in the placement of fire stations relative to existing and future growth (this roughly equates to 1 ½ miles radius of stations with overlapping response time contours). The City has recently been rated by the Insurance Services Office at level 3. This rating is a reduction from level 5, and is a positive representation resulting from the construction of a second fire station and improvements to the City's water distribution system.

The Planning Department refers appropriate project applications to the Fire Department for review and comment. This review includes topics such as access, alarm systems, need for on-site suppression systems (sprinklers), addressing locations, hydrant location, etc.. Comments and recommendations of the Fire Department are forwarded to the Planning Department for consideration and inclusion as development conditions.

Police Services

The Los Banos Police Department currently operates out of a single station located at 945 5th Street. This facility is a shared facility with Merced County Sheriff Department and currently lacks the structural ability to be expanded to meet the needs of the City's Police Department. Expansion of the facility is needed to accommodate the increase in the number of police officers associated with growth in the City.

The Planning Department refers appropriate project applications to the Police Department for review and comment. This review includes topics such as lighting, alarm systems, and access. Comments and recommendations of the police department are forwarded to the Planning Department for consideration and inclusion as development conditions.

Solid Waste

The Merced County Association of Governments provides regional solid waste management in Merced County. The Association of Governments owns and operates, through a contract with Merced County Department of Public Works, the Billy Wright Landfill located approximately 4 miles west of the City. Recent expansions at the site area, and mandated reductions in solid waste disposal, will allow this facility to continue providing solid waste disposal for the City for the mid-term. Long-term alternatives for landfill disposal, or securing another landfill site, will be necessary to meet the build-out time frame of the county. The City of Los is a member of Merced County Association of Governments and participates in planning and implementing the comprehensive solid waste management system in Merced County.

The City of Los Banos contracts with Browning Ferris Industries, Inc. for solid waste collection services. Solid waste collection is managed by the Department of Public Works and is operated as an enterprise function by the City of Los Banos.

Schools

Elementary and secondary public education services are provided in the Los Banos area by the Los Banos Unified School District. The Merced Community College District provides continuing education for residents of the area from facilities located in Los Banos and the City of Merced.

The Los Banos Unified School District's boundaries include about 640 square miles on the westside of Merced County. Although the City of Los Banos represents a small geographic portion of the District, a majority of the students and school facilities are located in the City of Los Banos. The District currently operates five elementary schools, three of which are within the Los Banos Planning Area, the Los Banos Junior High School, Los Banos High School, and San Luis Continuation School provide older students with educational services.

The School District's existing facilities are overcrowded and new growth will significantly continue to impact those facilities. The District has performed an analysis of its facilities and the impact of new growth on providing additional classrooms and resources, finding that the allowable developer impact fees currently established at \$1.72 per square foot of new residential structures are insufficient to provide adequate facilities. There remains a substantial unfunded portion of facility cost to construct new schools which meet State and District standards. The District has adopted a policy of requesting full mitigation of school impacts for future projects which require General Plan or Zoning amendments. Modification of the City's General Plan, rezoning, and annexation are among the legislative decisions subject to the School District's policy.

Housing Constraints

A number of factors affect the ability of the private sector to respond to the market demand for housing. Some, such as fees, standard conditions, and design requirements, are within the purview of the City of Los Banos. Others, such as interest rates, unemployment, consumer confidence and poor business decisions, are not. This chapter organizes housing constraints into two categories: governmental and non-governmental.

Governmental Constraints

Governmental constraints are defined as implied and/or written policies, standards, requirements, or actions imposed by the various levels of government on development. All levels of government, Federal, State and local, play a role in the imposition of governmental constraints. Many of these constraints, are beyond the influence of the City and cannot be effectively addressed in this document.

Land Use Controls

Land use controls are basically minimum standards included within the City's General Plan, Zoning and Subdivision Ordinances. Zoning restrictions are a means of ensuring that the land uses of a community are properly situated in relation to one another, and that construction provides adequate space for each type of development. Zoning regulations, identified in Table 26, control such features as height and bulk of buildings, lot area, yard setbacks, population density, the building use, etc. If zoning standards are too rigid, and do not allow sufficient land use flexibility, then development costs could increase and development interest may decrease. Conversely, lack of comprehensive and enforced zoning standards can help bring about a degradation of neighborhoods and lead to substandard housing. The aim of zoning is to provide a framework within which most projects will work, while at the same time providing the flexibility to allow innovative approaches to new development.

Table 26
Residential Development Requirements

Zone	Min. Lot Size (sq ft)	Side Yard (feet)		Max. Height (feet)	Parking	% Lot Coverage Structures/ Open Space
		Front/Rear	Side/Ext.			
R-1	6,000	20/10 or 20 ^a	5/10 or 20 ^b	30	2 per unit	40/na
R-2	6,000	20/10 or 20 ^a	5/10 or 20 ^b	30	1.5/1 bed unit 2/2+ bed unit	40/na
R-3	7,200	15/10	5/10 or 20 ^b	50	2 per unit	70/30
2nd Units	6,000	20/10 or 20 ^a	5/10 or 20 ^b	30	1 per unit	40/na

a. 10' rear setback is single story; 20' rear setback if 2 or more stories.

b. 10' side setback for corner lots; 20' side for reverse corner lots.

Source: Los Banos Zoning Ordinance

The City of Los Banos Zoning Ordinance provides a variety of housing types and development densities as shown in Table 26. The most versatile zoning is provided by the Planned Development Zone which permits greater design and development flexibility in a subdivision or apartment layout while still providing for the protection of the public welfare through conditions of approval tailored to fit each of specific development. This zone district would allow zero lot line developments and greater densities than allowed under the R-1, R-2, and R-3 zone districts.

The City has not enacted a density bonus law as mandated by State Law. Density bonuses and incentives, as defined in State Code, must be provided to developers if at least 20 percent of the total units of a housing development are for low income households or 10 percent for very low income or 50 percent for qualifying residents as

defined in the Civil Code. The City should adopt a density bonus ordinance and review, and amend if necessary, the Zoning Ordinance annually for consistency with state law regarding density bonuses for the provision of very low and low-income housing.

In May 1993, the City adopted a "Second Unit" ordinance which allows a second dwelling unit with independent living facilities to be constructed within a single-family dwelling. At the same time, the City adopted a "Granny Flat" ordinance as described under "Elderly Person Housing Need."

The Subdivision Ordinance governs the process of converting raw land into building sites. It allows the City to control the internal design of each new subdivision so that its pattern of streets, lots, public utilities, etc. will be safe, pleasant and economical to maintain. Overly restrictive standards will result in greater land development costs and/or lack of development interest. To a large extent, the City's subdivision ordinance is driven by the State Subdivision Map Act, with only minor modifications concerning the processing, number of copies, and additional content of the map.

Building Codes

Building codes regulate the physical construction of dwellings and include plumbing, electrical, and mechanical divisions. The City currently enforces the 1992 edition of the Uniform Building Code. Minor modifications have been made to individual sections of the code. None of the modifications substantially alter the code.

Site Improvements

The City of Los Banos requires vertical facing curb, gutter and sidewalk on all residential streets. Typical right-of-way for local streets, as shown in Table 27, is approximately 56 feet with 40 feet of pavement curb to curb.

Table 27 Street Right-of-Way Development Requirements		
Street Type	Right of Way	Curb Width
Local Street	56'	40'
Minor Collector	60'	44'
Major Collector	72'	56'
Industrial (Local)	66'	48'
Minor Arterial	84'	68'
Major Arterial	96'	80'

Source: Los Banos Improvement Standards and Specifications, January 1994

Utility companies that provide service to the City may require between 6 and 10 feet of the area outside of the right-of-way be reserved as a utility easement for the placement of service lines. City wide development standards require the undergrounding of utilities to new residential development. Where possible, and feasible, joint use of trenching is encouraged. The City does not have the authority to require joint use of trenching of independent utility companies.

The City does not believe that the provision of street improvements is a burden to the development of affordable housing. The street sections are designed to accommodate storm water drainage, and facilitate safe automobile and pedestrian circulation. Street lights and fire hydrants, required at regular intervals within the City, also address public health and safety.

Permit Processing

The City of Los Banos provides the full range of services relating to the development of property within its sphere of influence. Subdivision map processing, parcel maps, special use permits are all processed by the City.

The City actively encourages all developers to meet and confer with its planning staff prior to the formal submittal of an application as a means to facilitate the timely processing of an application. Such preapplication conferences can resolve any misunderstandings regarding zoning and development standards and processing procedures.

The final application is routed for review by the various departments of the City. These include public works, police, fire and parks. Typically a three week time frame is provided for these comments. The project is then publicly noticed and scheduled for hearing by the planning commission.

During consideration of the project, the environmental review process is begun. The environmental process can have one of the following outcomes:

- **Exemption:** Articles 17, 18 and 19 of the California Environmental Quality Act Guidelines establishes a list of projects that are exempt from environmental review. Typically, remodelling, rehabilitation and minor construction projects are considered exempt.
- **Negative Declaration:** Article 6 of the California Environmental Quality Act Guidelines establishes a process whereby a project is fully reviewed for environmental impact, and is either: 1. Found to have no significant impact on the environment and granted a *Declaration of Negative Environmental Effect*, or; 2. Provided a list of conditions that, if enacted, will reduce the impact to a less than significant level. The project would then be granted a *Mitigated Declaration of Negative Environmental Effect*. This process allows projects to have one or two environmental impacts, such as traffic or noise, perform studies and solve problems without needing a full EIR.

- **Environmental Impact Report:** Article 7 of the California Environmental Quality Act Guidelines establishes the Environmental Impact Report (EIR) process. If a project can not be considered *exempt*, or be granted a *Negative Declaration*, an EIR must be prepared. The EIR can take a number of forms, ie. Master, Program, Tiered, Focused, etc., but essentially all follow the same preparation pattern. A series of studies must be completed that analyze the current environment, and determine to what extent the proposed project will affect that environment. Each are of the EIR must come to a conclusion that the project will or will not have a substantial negative effect on the environment. A series of mitigation measures may be proposed to reduce the overall level of impact, similar to that of a *Mitigated Negative Declaration*. If the level of impact cannot be reduced to a less than significant level, the City must consider a specific series of findings before it can take action on the project. Review and adoption of the findings is considered a *Statement of Overriding Considerations* whereby the City determines that either the impacts can reasonably be mitigated by this project, or that the value of the project exceeds the impact on the environment.

Each level of environmental analysis involves some cost to the developer and the City. Classification as *exempt* is the least expensive, involving only a precursory review to make the determination. Consideration of a *Negative Declaration* with or with mitigation, can cost thousands of dollars and take six to nine months depending on the type and scope of studies involved. An Environmental Impact Report can take up to two years and run over \$100,000 dollars, depending on the type and scope of special studies.

From initial application to planning commission hearing a time frame of approximately 45 days is required. Appeals to the City Council are typically scheduled for the next available meeting which may vary from one to two weeks after the planning commission hearing.

Processing of building plans are typically completed within 3 weeks. This assumes that no variance or special use request being processed in conjunction with the permits.

On and Off-Site Improvements

The standard improvements required by the City of Los Banos for development of property include curb, gutters, sidewalk and street improvements. Extension of necessary utilities are also required.

Within the City of Los Banos electrical and gas service is provided by the Pacific Gas and Electric Company. Telephone and Cable service is provided by private companies. Most of the project specific improvement requirements imposed by these agencies are outside the purview of the City. However, the City does require approval from those agencies prior to the approval of any subdivision map.

Zoning Code Enforcement

Unless the City is made aware of a violations within the community there is no proactive enforcement activity. However, when the City is made aware of code violations, or

health and safety concerns relating to a residence, an inspection will be made by the appropriate department or agency, and a violation notice issued. If a violation notice is issued for a health and safety item the City attempts to put the resident in contact with the appropriate County agency to facilitate the rehabilitation of the property. At the present time the City does not have a rehabilitation program.

Fees and Other Exactions

The City of Los Banos reviews their development fees annually, and provides revision as necessary. Table 28 summarizes City's current development fees collected for single and multiple-family housing construction. Because state law governing the adoption and expenditure of impact fees, it is not possible for the City to waive development fees as a means to expedite the availability of housing to the very low- and low- income groups.

Table 28 Residential Development & Processing Fees	
<i>Public Utility/Service</i>	<i>Development Fees</i>
Water	\$ 900.00/unit
Sewer	\$ 2,000.00/unit
Parks and Recreation	\$648.00/unit
Traffic	\$ 500.00/unit
School Fee ¹	\$ 1.72/square foot
Building Permit ²	Varies
<i>Administrative Action</i>	<i>Processing Fee</i>
General Plan Amendment	\$ 300.00
Zone Change	\$ 300.00
Annexation	\$ 100/acre
Use Permit	\$150.00
Variance	\$ 150.00
Site Plan Review	\$150.00
Tentative Subdivision Map	\$600.00 + \$5.00/lot
Final Subdivision Map	\$400.00 + \$5.00/lot
Environmental Assessments	Cost +20% administrative fee

¹ School fees are set by the School District and are currently \$1.72 per square foot. While the City collects the fee at time of permit issuance, they are not responsible for establishing or justifying the fee amount.

² This cost is established as a percentage of the construction cost and may vary depending on the complexity of the construction and the number of inspections needed.

The City typically collects all appropriate fees at the time of building permit issuance because the fees are used to off-set the capital costs of providing service to the development. This process may impose potential financial impacts upon the developer since the developer's recovery of these costs does not occur until such time that the individual lots are sold. The postponement of some fees until a Certificate of Occupancy is issued could facilitate the development of housing.

Analysis

Development fees and the cost of processing an application in terms of money and time, are probably the largest governmental factors that influence the cost of new housing. The City processes proposed developments within 45 days as required by the Subdivision Map Act. In cases where the property is outside of the City, or in some zone other than residential, more substantial environmental and policy review is required. The additional review, especially if it requires an *Environmental Impact Report*, can add substantially to the cost of development.

Housing Strategy

For most projects, the City's Environmental Impact Report on the General Plan should provide sufficient background information to allow granting of a *Negative Declaration* or *Mitigated Negative Declaration*. The City should periodically review the General Plan EIR, and provide updates as necessary to ensure that the document remains current. Subsequent environmental analysis conducted on a project-specific basis should add to the environmental documentation of the City, and be available for all development to draw from during project processing. The City should participate in area wide studies, such as traffic and air quality. The City should also establish a basic set of mitigation measures designed to address long-term and cumulative impacts associated with growth. These basic mitigation measures can be updated regularly, and will help speed processing time and reduce the extent of subsequent environmental analysis.

Non-governmental Constraints

Non-governmental constraints are those which are generated by the private sector and which are beyond the control of local governments. A few of the impacts of non-governmental constraints can be mitigated to a minimal extent by local governmental actions, but usually the effects are very localized and have little influence on the total housing need within the jurisdiction or market area.

Several lending institutions that provide financing for businesses and homes within the Los Banos area have active Community Reinvestment Programs. These programs target small businesses, minorities, low and very low income families, and others that have difficulty obtaining financing. In some instances, debt-to-income ratios are adjusted, interest rates lowered, or payments deferred to help lower income families afford housing. While each institution has its own program and set of rules, within Merced County there is a Revolving Loan Program which acts as a clearinghouse for potentially rejected loans. This program has participation by both businessmen and representatives from some of the local banks, and reviews loans that might be rejected to determine eligibility for a Community Reinvestment Program.

The Community Reinvestment Act (CRA) requires that lending institutions keep track of their reinvestment programs and provide copies of the results to the public. All of the lending institutions contacted in Los Banos have active reinvestment programs.

Availability & Cost of Financing

Due to the significant change in the savings and loan industry the availability of financing to both developers and home builders is limited. However, in 1993 the availability of financing sources for construction of new homes has become more readily available and the interest rates being charged have stabilized.

At the present time conventional financing is available at an 80 percent loan to value ratio at an interest rate of about 7.5 percent. As shown in Table 29, this would equate to a monthly payment of approximately \$705 for a home costing \$100,000. Typically, it would take a minimum annual income of \$34,000 to qualify for such a loan.

The current interest rates are the lowest in almost 20 years, effectively removing them as a barrier to the purchase of new homes. Even the down payment provisions, in some case as much as 20 percent, can be mitigated through developer financing and first home buyer programs. Unfortunately, the low interest rates, do not address the major problems affecting affordable housing. First, the low interest rates have not transferred to multiple family construction loans. Consequently fewer apartments are being built which increases the value, and therefore potential rent, of those already in place. Second, low interest rates are meaningless if the family is unemployed or underemployed, and unable to qualify for the loan.

Table 29 Amortization Table						
	Interest Rate, 30 Year Term					
Loan	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%
\$80,000	\$484.33	\$510.52	\$537.24	\$564.47	\$592.18	\$620.34
\$85,000	\$514.60	\$542.42	\$570.82	\$599.75	\$629.19	\$659.11
\$90,000	\$544.87	\$574.33	\$604.40	\$635.03	\$666.21	\$697.88
\$95,000	\$575.14	\$606.24	\$637.98	\$670.31	\$703.22	\$736.65
\$100,000	\$605.41	\$638.15	\$671.55	\$705.59	\$740.23	\$775.42
\$105,000	\$635.68	\$670.05	\$705.13	\$740.87	\$777.24	\$814.19
\$110,000	\$665.95	\$701.96	\$738.71	\$776.15	\$814.25	\$852.96
\$115,000	\$696.22	\$733.87	\$772.29	\$811.43	\$851.26	\$891.73
\$120,000	\$726.49	\$765.77	\$805.86	\$846.71	\$888.27	\$930.51

Price of Land

According to the California Building Industry Association, the cost of land represents an ever-increasing proportion of the total housing development cost, although it has much less impact on the maintenance and improvement of existing stock. In 1990, land cost represented an average of 26 percent of the cost of a new home in California. In the City of Los Banos, land costs are generally 20 to 30 percent of the cost of a new home.

The most effective means of addressing artificially high land costs is provide a sufficient supply of developable land held by multiple land owners. The City can address this through goals and policies that require a certain percentage of vacant land be available in the City for a given period. This method has little impact on the City, although annexation of the land may require some cost. Other means to address land costs available to the City includes the use of Community Development Block Grant funds to write down land costs and utilization of government-owned, surplus land for housing projects. Because competition for these funds is extremely tough, neither one of these options may be consistently available to small jurisdictions. In both cases, the kind of housing most likely to benefit is assisted, low-income housing funded through a State or Federal program.

Another means of addressing high land cost is to increase the unit yield per acre. This allows the land and development cost to be spread over several more units thereby lowering the per unit cost. Unfortunately, this can have some substantial drawbacks. Without architectural control, and some form of on-site management, high densities can result in projects that become eyesores and be unpleasant for neighbors.

Slightly increasing the density of conventional single family dwellings, can lower home prices, and still keep a positive neighborhood appearance. Through architectural controls such as varied setbacks, varied elevations, differing lot depths and widths. This flexibility in lot design and setbacks does not increase the cost of construction, provides an interesting viewshed from the street, and reinforces the concept of neighborhoods.

Cost of Construction

Rising costs of labor and materials, have contributed to the non-governmental constraints on housing development and improvement. These costs were a substantial part of the increased housing costs during the 1980s. Builders passed those increases along to the home buyer or renter. Perhaps the greatest increase in material cost is that of wood. With severe reductions in the amount of wood harvested along the west coast, the price of wood has increased significantly. Since these are hard costs, they are often reflected in the housing price. One means of addressing rising lumber cost, is the use of steel framing and alternate home framing designs such as concrete and rammed earth. Steel framing has been used in commercial and industrial construction for a number of years, and is only now being introduced into residential construction. Use of special concrete and rammed earth as a structural member is a newly developing technology with limited applications in California. Since the price of wood is likely to keep increasing, the building codes will need to remain flexible to deal with emerging technology.

One of the most significant results of Proposition 13, passed by the voters of California in 1978, was the severe limitation imposed on the financing of infrastructure. Prior to 1978, infrastructure extensions could be borne by the entire community through an increase in property taxes. With the passage of Proposition 13, tax increases can no longer be approved without a 2/3 majority of voters. As such, these improvements must be paid for by new development and subsequently the new home buyer. This change in infrastructure financing brought about the adoption of impact fees for sewer, water, storm drainage, traffic and schools.

Impact fees are also severely regulated. Government Code Section 66000 (also known as AB1600), requires that a jurisdiction fairly apply fees, develop a program that demonstrates a nexus between the fee charged and the development, and requires commitment of the funds, or a refund, within five years of payment. School fees are similarly limited by legislation to a specific amount that must be applied on all construction equally.

About the only practical means of lowering infrastructure cost is to encourage infill development, or to utilize Community Development Block Grant funds to write down the cost of construction. Infill development allows the density of a development to increase and use the same services. This takes advantage of more efficient water/wastewater fixtures that allow more units to use the same capacity. It also allows connection to City services without having to construct expansion in service lines. Community Development Block Grant funds can be used in targeted areas to finance infrastructure improvements, (i.e., water and sewer lines, streets, etc.), making the land developable for very-low and low-income projects.

Life Style

Part of the increase in housing costs during the 1980s was due to consumer preference and life style expectations. The size of the typical single family house increased and other services included in the housing package changed, such as number of bedrooms, size of lot, size of garage, etc. All of these life style choices have costs associated with them. The trend emerging now in many areas of California, due in part to the higher cost of construction, is toward smaller units, smaller lots, and alternatives to the single family detached dwelling. Although consumer preference in Los Banos is still predominantly for conventional single family homes on typical lots, the zoning ordinance provides opportunity for different housing types, and the City is receptive to alternative housing proposals.

Analysis

There is little the City can do to lower the cost of new construction directly. If a Redevelopment District is initiated, there may be set-aside funding that could be used to off-set infrastructure, but the City currently does not have the revenue to provide a subsidy for public improvements. By keeping a sufficient inventory of residential land within the City limits and designated for residential development, the City can help keep land prices competitive. Flexibility in the zoning ordinance alone is insufficient to result in new housing

types. The market demand must be demonstrably present before a developer will be encouraged to attempt something out of the norm.

Housing Strategy

The City should continue to review its zoning ordinance to ensure that it reflects both market demand and future housing trends. Master planning of large areas should be encouraged to reduce processing time and cost. The master planned areas should have provisions made for higher intensity development. Design standards for a variety of housing types should be developed.

GOALS, POLICIES & OBJECTIVES

Several of the goals listed below were also goals in the 1986 Housing Element and were considered "un-attained" by this review. The City still feels, however, that many of these goals are valid, and were not attained due to action, or inaction, by other agencies or by lack of City Staff. In order to clarify Housing Element's approach to Goals, Policies and Objectives, the Action Plan will be completed in two separate sections.

The first Goals and Objectives are those that the City can feel confident in achieving based on those variables *that the City alone can control*. The second section will include those actions that the city feels *may be attainable, but are dependent upon the cooperation of other agencies*.

Goals Attainable by City Action Alone

Overall, the City is committed to providing for its Regional Housing Share of affordable housing units as indicated in Table 7. Experience has shown that the local market can accommodate a wide range of incomes in Los Banos. Very-low and low-moderate housing needs can often be met through sale of existing homes. The Land Use Element provides sufficient land to allow construction of 2,337 high density and 11,857 medium density units for a total of 14,194 "potential" very-low and low-moderate income units. The City has policies that encourage development of larger apartment projects with on-site management. Further, the Land Use Element includes minimum density provisions designed to ensure that designated residential land is developed to a minimum density. Finally, the City will apply for a Community Development Block Grant to aid the downtown. The required 20 percent set-aside will be used to fund rehabilitation activities if the grant is awarded.

Goal I

Provision of adequate sites for residential development and alternate housing choices at affordable costs for all segments of the City.

Objectives

1. The City of Los Banos will maintain the land use inventory prepared as a part of the General Plan Update.

Year: Inventory Complete 1992, (ongoing maintenance)
Responsible Agency: Planning & Community Development
Funding Source: General Fund, Developer Financing (General Plan Update)

2. Examine existing zoning laws at a minimum of once per year or as needed, on a case by case basis, to insure that innovative housing types are considered and can be constructed cost effectively in desirable settings.

Year: 1996 (ongoing)
Responsible Agency: Planning & Community Development
Funding Source: General Fund

3. The City of Los Banos will maintain a set of reference maps with zoning, infrastructure and other relevant development information to provide for future review and analysis of zoning within the jurisdiction and to assist developers in locating appropriate sites for housing.

Year: 1996 (ongoing)
Responsible Agency: Planning & Community Development
Funding Source: General Fund, (Some of the costs of this program will be off-set by map sales.)

4. The City will investigate ways to encourage urban in-fill. In this study current development policies will be analyzed and programs formulated for providing incentives such as permitting higher densities under certain conditions, expediting processing of site plans, etc. the City will maintain the use of "planned development", "planned community" and "urban cluster concepts" to stimulate the formation of integrated well balanced neighborhoods for annexations and in-fill developments.

Year: 1996 (ongoing)
Responsible Agency: Planning & Community Development
Funding Source: General Fund

Goal II

Increase the opportunity for the provision of very low-, low-, and moderate income housing.

Objectives

1. The City of Los Banos will revise its zoning ordinance to provide for zone districts that can provide a range of housing densities allowing opportunities for the very low- and low-income group.

Year: Fall 1996 - Spring 1997
Responsible Agency: Planning & Community Development
Funding Source: General Fund

2. The City of Los Banos will revise its zoning ordinance to include a provision to allow emergency shelters.

Year: Fall 1996 - Spring 1997
Responsible Agency: Planning & Community Development
Funding Source: General Fund

3. The City of Los Banos will adopt a density bonus ordinance and will review and, if necessary, amend the Zoning Ordinance annually for consistency with state law regarding density bonuses for the provision of very low- and low-income housing.

Year: 1997 and ongoing
Responsible Agency: Planning and Community Development
Funding Source: General Fund

Goal III

Maintain the existing housing stock and encourage the rehabilitation and conservation of older residential units.

Objectives

1. The City will prepare a Community Development Block Grant application to help fund rehabilitation of existing housing and development of assisted housing.

Year: 1996 (ongoing)
Responsible Agency: City of Los Banos, Planning Department
Funding Source: General Fund

2. The City of Los Banos will provide application for and administration of the California Housing Rehabilitation Program-Owner (CHRP-O) Program. This program provides assistance to homeowners in the form of low income loans and provides deferred payment by senior citizens.

Year: 1997/98
Responsible Agency: Planning & Community Development
Funding Source: General Fund

3. The City of Los Banos will make application for, and administration of, the California Housing Rehabilitation Program-Rental (CHRP-R) Program. This program provides low interest rate loans to landlords to facilitate the rehabilitation and remodeling of existing rental units.

Year: 1997/98
Responsible Agency: Planning & Community Development
Funding Source: General Fund

4. The City of Los Banos will make application for and provide administration of the Home Investment Partnerships Program (HOME). This program provides funding assistance to non-profit organizations for the acquisition, development, construction, or rehabilitation of housing affordable to person or families of low income.

Year: 1997/98
Responsible Agency: Planning & Community Development
Funding Source: General Fund

5. The City will continue to actively enforce housing and building codes to ensure safe structures and prevent the deterioration of housing stock.

Year: Ongoing
Responsible Agency: Planning & Community Development
Funding Source: General Fund

6. Support and encourage by submission of letters, resolutions, and personal testimony the continuation of public, non-profit organization and public utility weatherization programs for existing units.

Year: Ongoing
Responsible Agency: Planning & Community Development
Funding Source: General Fund

7. To reduce the spread of blighted areas, and encourage the improvement of homes developed in blighted areas, the City will prepare and adopt minimum

landscape and architectural design standards for all multiple family housing projects.

Year: ~~1995/96~~ 1996/97 (As part of General Plan Update)
Responsible Agency: Planning & Community Development
Funding Source: General Fund

8. To ensure long term maintenance of multiple family units, the City will require that new apartment projects have on-site management. Apartment projects considered too small to have on-site management (i.e., less than 15 units) shall be discouraged.

Year: 1996 (As part of Zoning Ordinance Update)
Responsible Agency: Planning & Community Development
Funding Source: General Fund

Goal IV

To preserve the quality of life for residents of Los Banos through maintenance of appropriately served residential areas.

Objectives

1. The City will reserve areas around the Central Business District for residential development.

Year: 1996/97 (As part of Downtown Redevelopment Plan)
Responsible Agency: Planning & Community Development
Funding Source: General Fund

2. Continue programs to construct new parks and maintain existing park and other public facilities which enrich the appearance of residential areas.

Year: Ongoing
Responsible Agency: Planning & Community Development
Funding Source: Park Fees/General Fund

Goal V

To ensure that residential development occurs in orderly patterns to minimize possible adverse effects of growth.

Objective

1. The City will evaluate each residential and commercial project application to ensure the compatibility or reasonable mitigation measures and discourage "leap

frog" developments which make accessibility to public services difficult and expensive through strict enforcement of environmental, LAFCO, and City subdivision requirements.

Year: Ongoing
Responsible Agency: Planning & Community Development
Funding Source: General Fund

Goal VI

To achieve energy efficiency in housing activities.

Objectives

1. Through the Site Plan Review Process the City shall ensure housing construction that is environmentally sound, cost effective, and promotes energy efficiency, and encourage new developments to incorporate housing design and orientation techniques that reflect energy efficient site planning and use of passive solar access standards.

Year: Ongoing
Responsible Agency: Planning & Community Development
Funding Source: General Fund

2. On an as needed basis, analyze City zoning ordinance to identify and make recommendations for amendments to requirements which inhibit site planning for solar access.

Year: Ongoing
Responsible Agency: Planning & Community Development
Funding Source: General Fund

Goal VII

To ensure that all residents have access to housing regardless of race, creed, color or religion.

Objectives

1. The City's Planning Department shall provide information on fair housing laws, and refer and assist citizens with discrimination complaints to the State Department of Fair Employment and

Year: 1996 (Ongoing)
Responsible Agency: Planning and Community Development
Funding Source: General Fund.

2. Develop a directory of services and resources for very low-, low-, and moderate-income households and special needs groups. The directory shall be written in English and Spanish, and made available at City Hall and targeted areas within the community most likely to be subject to housing discrimination.

Year: 1996 (Ongoing)
Responsible Agency: Planning and Community Development
Funding Source: General Fund

3. As a semi-annual community service, the Planning and Community Development Department shall work with the Los Banos Enterprise newspaper to publish information on fair housing laws and identify agencies to contact regarding discrimination complaints. The information shall be printed in English and Spanish.

Year: 1996 (Ongoing)
Responsible Agency: Planning and Community Development
Funding Source: General Fund

Goals Attainable, but Needing Action Beyond Direct City Control

The following goals are seen by the City as being desirable and will, to the extent feasible, be implemented by the City. Unfortunately, full attainment of these goals will require the cooperation of independent agencies over which the City of Los Banos can exercise only lobbying influence. To the extent that the goal(s) require an independent action by the City, that action will be taken.

Goal VIII

To increase the percentage of homeowners in the city and provide adequate information on all possible housing assistance programs is distributed to homeowners, developers and other residents.

Objectives

1. The City of Los Banos will encourage developers to make application for FmHA 502 Interest Subsidy programs and will work with and assist those developers. The City will take actions necessary to expedite processing and approvals for such projects.

This program provides direct loans to individuals of low to moderate income to purchase newly constructed homes. The interest rate varies according to the applicant's adjusted family income and may be from as low as 1 percent to market rate.

The ability to achieve this objective is contingent upon the market conditions during the plan period, interested developers, the availability of county staff and congressional authorization to issue such bonds.

Year: Ongoing
Responsible Agency: City of Los Banos/Private Developers
Funding Source: Farmers Home Administration

Goal IX

To maintain an adequate percentage of affordable rental units within the City to accommodate very low- and low income residents.

Objectives

1. The City of Los Banos will support the implementation of conventional Public Housing Rental Programs and the Section 8 Existing Program which provides rent subsidies directly to participants' landlords, and will support that agency's attempts to secure additional funding for expanded programs.

Year: Ongoing
Responsible Agency: Merced County Housing Authority
Funding Source: Federal Department of Housing and Urban Development

2. The City of Los Banos will encourage developers to make application for California Housing Finance Agency (CHFA) AB 333 Subsidized Rental allocations which provide subsidized interest rates and operating subsidies to developers of rental housing projects. Under this program, rents for the units are guaranteed often in conjunction with the Section 8 rental subsidy program.

Year: Ongoing
Responsible Agency: Private Developers
Funding Source: California Housing Finance Agency

3. The City will participate with Merced County in the issuance of single and multi-family mortgage revenue bonds as developers request such assistance to finance new construction projects for very low-, low-, and moderate income households and will assist by locating appropriate sites and by taking all necessary actions to expedite processing and approvals for such projects. The ability to achieve this objective is contingent upon the market conditions at the time the issue is structured, the availability of County staff and interested developers.

Year: Ongoing
Responsible Agency: City of Los Banos/Merced County Department of Community Development/ Private Developers
Funding Source: Private Investors

Goal X

To conserve the existing housing stock, particularly housing in older areas of the city nearer the Central Business District.

Objectives

1. The City of Los Banos will support Housing Authority administration of the Section 8 Moderate Rehabilitation Program. It provides for improvements to existing housing units as well as rental assistance payments on behalf of lower-income families.

The Housing Authority will solicit proposals from owners who have units that do not meet minimum quality housing standards and are interested in putting their units in the program. If rehabilitation is deemed feasible, the property owner will be responsible for making all required improvements, and when completed, will execute a 15-year contract for rent subsidies for qualified renters. The rents for these units will be higher than for the regular Section 8 program in order to provide income for repaying the cost of rehabilitation.

Year: Ongoing
Responsible Agency: City of Los Banos/Merced County Housing Authority
Funding Source: Federal Department of Housing and Urban Development

2. The City of Los Banos will participate with Merced County in securing and implementing the HUD Rental Rehabilitation program which provides subsidy funds up to \$5,000 per unit, matched by \$5,000 or more by the owner, to rehabilitate existing rental housing.

The ability to achieve this objective is dependent upon the availability of County staff and interested property owners.

Year: Ongoing
Responsible Agency: Merced County Department of Community Development
Funding Source: Federal Department of Housing and Urban Development

3. The City of Los Banos will encourage homeowners to make application for FmHA 504 Single Family Rehabilitation allocations which provides home repair loans up to \$7,500 at 1 percent interest to very low-income families for the purpose of making repairs needed for the health and safety of the family and/or the community. The ability to achieve this goal is dependent upon availability of funds from FmHA and interested property owners.

Year: Ongoing
Responsible Agency: Farmers Home Administration
Funding Source: Farmers Home Administration

Goal XI

To encourage redevelopment and new development projects to meet the special needs of handicapped and elderly residents of the City.

Objectives

1. The City of Los Banos will encourage sponsors to make application for HUD Section 202 allocations for construction of rental housing for seniors and handicapped and will take all actions necessary to expedite processing and approval of such projects.

In addition, should the funding become available, the City will facilitate the project by assisting in locating appropriate sites and will consider the use of the Community Development Block Grant allocation and/or other available resources to either write down the cost of the site or fund infrastructure improvements.

Year: 1996/97 (Ongoing)
Responsible Agency: Sponsor
Funding Source: Federal Department of Housing and Urban Development.

2. The City in cooperation with Merced County will apply to the State Department of Housing and Community Development for a HCD Farm Worker Housing Grant. To be funded with CDBG and with a State HCD Farm Worker Housing Grant, the homes will be sold at a subsidized cost to eligible farm workers.

The ability to achieve this goal is dependent upon the availability of County staff and funds from HCD.

Year: 1996/97 (Ongoing)
Responsible Agency: City of Los Banos, Merced County Department of Community Development
Funding Source: State Farm Worker Housing Grant

3. The City of Los Banos will encourage non-profit sponsors and/or the Housing Authority to make application for FmHA 514/516 allocations for rentals which provide a combination of grants and loans to finance the construction of Migrant Farm Worker Rental Housing. Public and private non-profit corporations, including State agencies and political subdivisions, are eligible for both grants and loans. The ability to achieve this goal is dependent upon the availability of County staff, interested profit and non-profit corporations and the availability of funds from FmHa.

Year: 1997/98
Responsible Agency: Merced County Department of Community Development, or a sponsor
Funding Source: Farmers Home Administration

RESOLUTION NO. 3787
A RESOLUTION OF THE CITY OF LOS BANOS
APPROVING NEGATIVE DECLARATION 96-07
RELATING TO ADOPTION OF THE CITY'S HOUSING ELEMENT

PROJECT NAME: City of Los Banos 1996 Housing Element Update

PROJECT APPLICANT: City of Los Banos

WHEREAS, the City Council having reviewed the proposal as presented by the City Staff and having reviewed any written or verbal comments received prior to the public meeting and oral comments received during the City Council public hearing, does hereby find and declare that the proposal will not have a significant effect on the environment and adopts by resolution Negative Declaration 96-07 on the basis that all questions in the Initial Study were answered with a response of "No Impact" or "Less than Significant Impact".

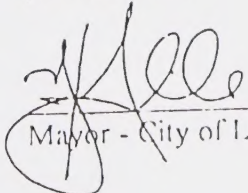
The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 18th day of September, 1996, by Council Member Ferry who moved its adoption, which motion was duly seconded by Council Member McAdam, and the Resolution adopted by the following vote:

AYES: COUNCIL MEMBERS Ferry, McAdam, O'Brien, Smith, and Mayor Amabile

NOES: COUNCIL MEMBERS None

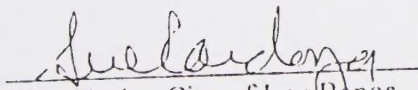
ABSENT: COUNCIL MEMBERS None

APPROVED:



Mayor - City of Los Banos

ATTEST:



City Clerk - City of Los Banos

RESOLUTION 3786
A RESOLUTION OF THE CITY OF LOS BANOS
ADOPTING THE CITY OF LOS BANOS 1996 HOUSING ELEMENT

WHEREAS, there has been presented to the City Council of the City of Los Banos a Housing Element of the City's General Plan, as mandated by Section 65580 of the California Government Code, for its review; and

WHEREAS, said Housing Element of the City's General Plan has been examined, reviewed, and approved by the City Council of the City of Los Banos, and a Public Hearing pertaining thereto was held on the 18th day of September, 1996 and all interested persons were allowed to speak.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Los Banos that the Housing Element of the General Plan as presented is hereby adopted. member of the County of Merced Operational Area.

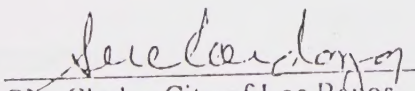
The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the 18th day of September, 1996, by Council Member O'Brien who moved its adoption, which motion was duly seconded by Council Member Smith, and the Resolution adopted by the following vote:

AYES: COUNCIL MEMBERS Ferry, McAdam, O'Brien, Smith, and
Mayor Amabile

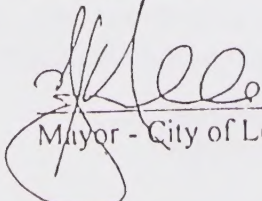
NOES: COUNCIL MEMBERS None

ABSENT: COUNCIL MEMBERS None

ATTEST:


City Clerk - City of Los Banos

APPROVED:


Mayor - City of Los Banos

U.C. BERKELEY LIBRARIES



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